

MOUNTAIN STATES RESOURCES 16 NAV-0 834
SE SE 22-41N-30E APACHE COUNTY

COUNTY APACHEAREA TEEC NOS POSLEASE NO. NAVAJO
NOO-C-14-20-4433WELL NAME MOUNTAIN STATES RESOURCES #16 NAV-0LOCATION SE SE SEC 22 TWP 41N RANGE 30E FOOTAGE 860 FSL, 400 FELELEV 4979 GR 4992 KBSPUD DATE 12-7-82STATUS ADA 5-1-91
T.D. 1-7-82TOTAL
DEPTH 5200

CONTRACTOR

CASING	IZE	DEPTH	CEMENT	LINER SIZE & DEPTH
8-5/8		1519	650 Sat	8 7/8 1519
4-1/2		5196	200 Sat	4 1/2 5196

DRILLED BY ROTARY ☒

DRILLED BY CABLE TOOL

PRODUCTIVE RESERVOIR Lamay
Desert Creek

INITIAL PRODUCTION

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Upper Lamay	5030-40			
Lower Lamay	5073-83			
Desert Creek	5126-31			

ELECTRIC LOGS

Gemma Ray / Neutron
Perforators Cement Band

PERFORATED INTERVALS

PROD. INTERVALS

SAMPLE LOG

SAMPLE DESCRP.

SAMPLE NO. 1845 (3520-5200)

CORE ANALYSIS

DSTs

REMARKS

APP. TO PLUG

PLUGGING REP.

COMP. REPORT

WATER WELL ACCEPTED BY

BOND CO. SAFECO INS. CO. OF AMERICABOND NO. 4385444BOND AMT. \$ 25,000CANCELLED 10-2-97DATE 9-28-82FILING RECEIPT 2344LOC. PLAT XWELL BOOK XPLAT BOOK XAPI NO. 02-001-20278DATE ISSUED 11/9/82DEDICATION S₁ S₁PERMIT NUMBER 834

(over)

BRIDE'S TEST			
NO.	FROM	TO	RESULTS
			<i>See Sundry Reports</i>

REMEDIAL HISTORY			
DATE STARTED - COMPLETED		WORK PERFORMED	NEW PERFORATIONS

ADDITIONAL INFORMATION:

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

860' FSL & 400' FEL, Section 22, T41N, R30E

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 16

9. API Well No.

02-001-20278

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Re-enter & re-plug</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plans to re-enter and re-plug the Navajo Tribal "O" 16 as follows:

1. Weld 8 5/8" collar on surface casing and nipple up BOP.
2. RIH with 2 3/8" tubing and 3 7/8" bit. Tag surface plug and DO.
3. Tag bottom plug. If top of plug is at least 50' above Hermosa top, test mud and bring to BLM standards if necessary.
4. If top of plug is not at least 50' above Hermosa top, TOOH and LD bit. RIH with open-ended tubing to top of plug. Spot sufficient 50:50 Poz cement to extend 50' above Hermosa top. TOOH with tubing.
5. Determine free-point of 4 1/2" casing. If free at 1519' (bottom of surface casing), shoot off and TOOH and LD casing. Goto Step 6. If not free, goto Step 7.
6. RIH with tubing to 1570' and spot 30 sx of 50:50 Poz cement at 1570'. TOOH with tubing to 50'. Spot 15 sx of 50:50 Poz cement to surface. TOOH with tubing. (As per approved Form 9-331 on 11-29-88). Goto Step 9.
7. Shoot a squeeze shot at 1570'. RIH with tubing to 1570' and squeeze 8 5/8"-4 1/2" annulus with 30 sx of 50:50 Poz cement. Spot 15 sx of 50:50 Poz cement inside 4 1/2" casing at 1570'. TOOH with tubing to 50'.
8. Spot 10 sx of 50:50 Poz cement to surface. TOOH and LD tubing. Goto Step 9.
9. Tear down BOPs, erect dry hole marker, and reclaim location.

THIS PROGRAM IS SUBJECT TO CHANGE DEPENDING ON ACTUAL WELL CONDITIONS UPON REENTRY.

14. I hereby certify that the foregoing is true and correct

Signed Patrick M. Montalban Title President Date March 29, 1991
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Form 9-83
(Rev. 5-83)

RECEIVED

JAN 9 1984

UNITED STATES

SUBMIT IN DUPI

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

DEPARTMENT OF THE INTERIOR

O & G CONS. COMM.

GEOLOGICAL SURVEY

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____

1b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other _____

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
P. O. Box 1995 -- Cut Bank, Montana 59427-1995

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 860' FSL & 400' FEL S/2SE/4
At top prod. interval reported below As above
At total depth As Above

5. LEASE DESIGNATION AND SERIAL NO.
N00-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
NONE

8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL

9. WELL NO.
NAVAJO "O" #16

10. FIELD AND POOL, OR WILDCAT
TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SESE Section 22-T41N-R30E

14. PERMIT NO. 00834 DATE ISSUED Nov. 19, 1982

12. COUNTY OR PARISH Apache 13. STATE Arizona

15. DATE SPUDDED 12/7/82 16. DATE T.F. REACHED 1/10/83 17. DATE COMPL. (Ready to prod.) Feb. 2/83 18. ELEVATIONS (DF, RSB, RT, GR, ETC.)* 4979 Gr. - KB 4992 19. ELEV. CASINGHEAD 4979 Gr.

20. TOTAL DEPTH, MD & TVD 5200' 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
Desert Creek - 5126-5131
Lower Ismay - 5073-5083

25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN Blue Jet GRN - Basin Perforators GR, CCL, CBL 27. WAS WELL CORED NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24# J55	1519	12 1/4"	650 Sax 50/50 POZ 6% Gel	None
4 1/2"	10.5# J55	5196	7 7/8"	100 Sax (Top) with 2" 50/50 POZ 3% CaCl ₂	None
				200 Sax 50/50 POZ 10% Salt	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval size and number)

5126 - 5131 4SPF w/3 1/8" Casing Gun
5073 - 5083 4SPF w/3 1/8" Casing Gun

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5126-5131	500 Gal - 28% HCL
5073-5083	500 Gal - 28% HCL

33. PRODUCTION

DATE FIRST PRODUCTION Jan. 22/83 PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Flowing from Desert Creek 1.5MMCF plus condensate WELL STATUS (Producing or shut-in) Shut-in Pending Market Outlet

DATE OF TEST 22-Feb. 1/83 HOURS TESTED Various CHOKER SIZE 1/2" PROD'N. FOR TEST PERIOD 125 B/Cond. 2.3MMCF WATER--BBL. N11 GAS--MCF. N.M.

FLOW. TUBING PRESS. 1275 CASING PRESSURE 1250 CALCULATED 24-HOUR RATE 125B/Cond. 6,421 MCF WATER--BBL. None OIL GRAVITY-API (CORR.) 54°

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Shut-In TEST WITNESSED BY J. V. Montalban
Reno Rontco
H. E. McAnally (Wilson Service)

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature] TITLE Manager of Operations DATE Dec. 26, 1983

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 33.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s), and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; COBED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				38. GEOLOGIC MATTERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP Datum
Lower Ismay	5030	5040	Trace Porosity-Trace Oil & Gas	Hermosa	4215	+779
Lower Ismay	5073	5083	Fair to Good Porosity-Sight Stain Show of Oil & Gas	Upper Ismay	4957	+35
				Lower Ismay	5025	-33
Desert Creek	5126	5131	Good Porosity - Light Stain	Lower Ismay	5072	-80
Core Intervals	None			Desert Creek	5107	-115
Drill Stem Tests	None (Could not get to bottom)			Desert Creek	5125	-133
Open Hole Logs	None (Bad Hole-could not get to bottom)			T.D.	5200	
WELL NOW SHUT-IN CANNOT PRODUCE - WAITING FOR A CONTRACT FROM EL PASO NATURAL GAS.						

PLUGGING RECORD

Operator Mountain States Resources, Inc.		Address P.O. Box 250 - Cut Bank, Montana 59427	
Federal, State, or Indian Lease Number or lessor's name if fee lease N00-C-14-20-4433		Well No. 16	Field & Reservoir Teec Nos Pos Field-Ismay, Desert Creek
Location of Well 860' FSL & 400' FEL, Section 22, T41N, R30E		Sec-Twp-Rge or Block & Survey	County Apache
Application to drill this well was filed in name of Mountain States Resources	Has this well ever produced oil or gas Yes	Character of well at completion (initial production): Oil (bbls/day) 125 Gas (MCF/day) 2300 Dry?	
Date plugged: May 1, 1991	Total depth 5200' KB	Amount well producing when plugged: Oil (bbls/day) 0 Gas (MCF/day) 0 Water (bbls/day) 0 (SI)	
Name of each formation containing oil or gas. Indicate which formation open to wellbore at time of plugging	Fluid content of each formation	Depth interval of each formation	Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement
Ismay (open)	Oil, Gas, & Water	5073-5083' KB	See Back
Desert Creek (open)	Oil, Gas, & Water	5126-5131' KB	

CASING RECORD

Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
8 5/8"	1519	0	1519		
4 1/2"	5196	1537.5	3658.5	Jet Cut	

Was well filled with heavy drilling mud, according to regulations?
No, as approved by BLM and AOGC

Indicate deepest formation containing fresh water.
Navajo

NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE

Name	Address	Direction from this well:
Navajo Tribe	Window Rock, Arizona	

In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.

Use reverse side for additional detail.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Vice President of the Mountain States Resources, Inc. (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date June 10, 1991 Signature Reno N. Roncco
Reno N. Roncco

AZ OIL & GAS CONSERVATION COMMISSION JUN 20 1991 Permit No. 834	STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy Form No. 10
------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Mountain States Resources, Inc. re-entered and re-plugged the Navajo Tribal "O" 16 as follows:

1. MIRUSU on 4-29-91. Nippled up BOP. Tagged top of top cement plug at 166' GL.
2. Drilled to 203' GL with 3 7/8" blade bit, changeover, six 3 1/8" drill collars, and one jt. of 2 3/8" tubing. Pressure tested BOP to 1400 psi.
3. Drilled out cement plug to 591' GL (bottom of top plug). RIH and tagged top of bottom cement plug at 3812' GL. Circulated down to hard cement at 3850' GL.
4. TOOH with tubing and BHA. Speared 4 1/2" casing and set in slips.
5. Cut casing at 1537.5' GL. TOOH and laid down 38.5 jts. of 4 1/2" casing.
6. RIH with open-ended 2 3/8" tubing and stacked out on casing stub at 1542' GL.
7. TOOH with tubing and bent bottom approximately 4°.
8. RIH with tubing to 1743' GL, could not go deeper. BLM gave approval to cement.
9. Nippled up BJ Services and broke circulation with 20 bbls of water. Cemented casing stub, 7 7/8" hole, and 8 5/8" casing to surface with 455 sx of 50:50:2 Pozmix cement.
10. TOOH and laid down tubing, leaving one jt. in hole. Topped off cement with 10 sx of 50:50:2 Pozmix cement. Laid down jt. of tubing.
11. Nippled down tubing head. RDMOSU on 5-01-91.
12. Cut off casing head and welded on dry hole marker. Reclaimed location

Plugging and abandonment witnessed by Leonard Bixler and Steve Mason of BLM, Steve Rauzi of AOCC.

AZ OIL & GAS
CONSERVATION COMMISSION
APPLICATION TO PLUG AND ABANDON
APR 1 1991

FIELD Teec Nos Pos
OPERATOR Mountain States Resources, Inc. ADDRESS P.O. Box 250 - Cut Bank, Montana 59427
Federal, State or Indian Lease Number N00-C-14-20-4433 WELL NO. Navajo Tribal "O" 16
or Lessor's Name if Fee Lease
LOCATION 860' FSL & 400' FEL, Section 22, T41N, R30E

TYPE OF WELL Oil TOTAL DEPTH 5200' KB
(Oil, Gas or Dry Hole)

ALLOWABLE (If Assigned)
LAST PRODUCTION TEST OIL 0.42 (Bbls.) WATER 8 (Bbls.)
GAS Trace (MCF) DATE OF TEST April, 1987
PRODUCING HORIZON Ismay PRODUCING FROM 5073' TO 5083'
Desert Creek 5126' 5131'

1. COMPLETE CASING RECORD.

Casing Size	Wt., ppf	Depth Set	Hole Size	Cementing Record
8 5/8"	24	1519'	12 1/4"	650 sx 50:50 Poz w/6% gel 100 sx 50:50 Poz w/3% CaCl ₂
4 1/2"	10.5	5196	7 7/8"	200 sx 50:50 Poz w/10% salt

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

See attached BLM Form 3160-5.

DATE COMMENCING OPERATIONS April, 1991 when regulatory approval received & finances permit

NAME OF PERSON DOING WORK J. V. Montalban ADDRESS Cut Bank, Montana 59427
Consultant

Signature

Patrick M. Montalban

Title President

Address P.O. Box 250 - Cut Bank, Montana 59427

Date March 29, 1991

Date Approved _____
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: _____

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Plug and Abandon
File Two Copies

Form No. 9

Permit No. 834

4/82

Form 3160-5
(June 1990)

AZ OIL & GAS
CONSERVATION COMMISSION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

APPROVED

Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

Name of Operator

Mountain States Resources, Inc.

Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427

Location of Well (Footage, Sec., T., R., M., or Survey Description)

860' FSL & 400' FEL, Section 22, T41N, R30E

By

4/18/91

APPROVED

CONSERVATION

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.

NGO-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 16

9. API Well No.

02-001-20278

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Re-enter & re-plug
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

3. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

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1. Weld 8 5/8" collar on surface casing and nipple up BOP.
2. RIH with 2 3/8" tubing and 3 7/8" bit. Tag surface plug and DO.
3. Tag-bottom plug. If top of plug is at least 50' above Hermosa top, test mud and bring to BLM standards if necessary.
4. If top of plug is not at least 50' above Hermosa top, TOOH and LD bit. RIH with open-ended tubing to top of plug. Spot sufficient 50:50 Poz cement to extend 50' above Hermosa top. TOOH with tubing.
5. Determine free-point of 4 1/2" casing. If free at 1519' (bottom of surface casing), shoot off and TOOH and LD casing. Goto Step 6. If not free, goto Step 7.
6. RIH with tubing to 1570' and spot 30 sk of (50:50 Poz cement) at 1570'. TOOH with tubing to 50'. Spot 15 sk of 50:50 Poz cement to surface. TOOH with tubing. (As per approved Form 9-331 on 11-29-88). Goto Step 9.
7. Shoot a squeeze shot at 1570'. RIH with tubing to 1570' and squeeze 8 5/8"-4 1/2" annulus with 30 sk of 50:50 Poz cement. Spot 15 sk of (50:50 Poz cement) inside 4 1/2" casing at 1570'. TOOH with tubing to 50'.
8. Spot 10 sk of 50:50 Poz cement to surface. TOOH and LD tubing. Goto Step 9.
9. Tear down BOPs, erect dry hole marker, and reclaim location.

THIS PROGRAM IS SUBJECT TO CHANGE DEPENDING ON ACTUAL WELL CONDITIONS UPON REENTRY.

14. I hereby certify that the foregoing is true and correct.

Signed Patrick M. Montalban
(This space for Federal or State office use)

Title President

Date March 29, 1991

APPROVED
AS AMENDED

Approved by _____
Conditions of approval, if any: _____

THIS APPROVAL EXPIRES

MAY 01 1991

CONDITIONS OF APPROVAL

APR 02 1991

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false statement or representations as to any matter within its jurisdiction.

AREA MANAGER

*See instruction on Reverse Side

FARMINGTON COPY

#834

IN REPLY REFER TO
(019)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: 18 Navajo Tribal O'

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."

2. Mark Kelly with the Farmington Office is to be notified at least 48 hours before the plugging operations commence (505) 326-6201.

3. Blowout prevention equipment is required.

4. The following modifications to your plugging program are to be made (when applicable):

Step #6 Spot cement from 1560' to surface.

Step #7 Spot cement from 1560' to surface inside & outside 4 1/2" casing

Note: If adequate bonding is indicated on cement bond log then spot plug in side casing.

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.

2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.

3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.

4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl_2 is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).

5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perms-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.

5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.

6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.

7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

**AZ OIL & GAS
CONSERVATION COMMISSION**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 26 1991

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

860' FSL & 400' FEL, Section 22, T41N, R30E

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "0" 16

9. API Well No.

02-001-20278

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "0" 16 on October 14, 1990 as shown below:

- 1) MIRUSU. SITP = SICP = 5 psi. Bled well down.
- 2) TOOH and LD rods and pump.
- 3) TOOH with tubing.
- 4) Nippled up cementers, pressure tested lines, and established rate with water.
- 5) Pumped 40 sx of 50:50 Pozmix cement. Displaced cement with 53 bbl of mud. Bottom of plug at 4500 ft., top at 3937 ft. Avg. P = 1300 psi.
- 6) Pumped 40 sx of 50:50 Pozmix cement. Bottom of plug at 563 ft., top at surface. Avg. P = 1250 psi.
- 7) Shut-in well. WOC.
- 8) Cut off casings and welded on steel plate and dry hole marker.

Stretch data obtained in July, 1986 during servicing indicated the casing to be stuck at approximately 1900' (10" stretch w/pull of 39,500#).

14. I hereby certify that the foregoing is true and correct.

Signed [Signature]
(This space for Federal or State office use)

Title President

Date December 21, 1990

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

**AZ OIL & GAS
CONSERVATION COMMISSION**

Form J160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 26 1991

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Mountain States Resources, Inc.

3. Address and Telephone No.
P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
860' FSL & 400' FEL, Section 22, T41N, R30E

5. Lease Designation and Serial No.
N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Navajo Tribal "O" 16

9. API Well No.
02-001-20278

10. Field and Pool, or Exploratory Area
Teec Nos Pos

11. County or Parish, State
Apache Co., Arizona

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log (Form J160-6))

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "O" 16 on October 14, 1990 as shown below:

- 1) Pressure tested lines.
- 2) Pumped 40 sx 50:50 Pozmix cement.
- 3) Displaced bottom plug with 53 bbl.
- 4) Pumped 40 sx 50:50 Pozmix cement, cement top at surface.
- 5) Shut-in well. WOC.
- 6) Cut off and capped casings, welded on dry hole marker.

14. I hereby certify that the foregoing is true and correct.

Signature [Signature] Title President Date October 24, 1990

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

496 PRINTED IN U.S.A. DOWELL SCHLUMBERGER INCORPORATED

WELL NAME AND NO. **NAVAJO TRACT 016** LOCATION (LEGAL) **SEC 22 T41S R30E** DISTRICT **80182, 10**

FIELD POOL **TESSNIS POZ** FORMATION **APACHE** STATE **ARIZONA** API. NO. **APACHE**

COUNTY/PARISH **APACHE** NAME **MOUNTAIN STATES** AND **RESOURCES** ADDRESS **P.O. BOX 176** ZIP CODE **CUTBARK MT**

SPECIAL INSTRUCTIONS **PSA Well w/ 80 SKS 50/50**
121455 G - POZ @ 11.2
AS INSTRUCTED

IS CASING/TUBING SECURED? ☒ YES ☐ NO

LIFT PRESSURE **4000** PSI CASING WEIGHT + SURFACE AREA **0.14 x R1**

PRESSURE LIMIT **2000** PSI BUMP PLUG TO **PSI**

ROTATE **RPM** RECIPROCAT **FT** No. of Centralizers

WELL DATA: BIT SIZE **7 1/2** CSGAL. Inner Size **7 1/2** TOTAL DEPTH **147** WEIGHT **14.2** FOOTAGE **147** GRADE **14.2** MUD TYPE **14.2** MUD DENSITY **14.2** MUD VISC. **14.2** NOTE: Include Footage From Ground Level To Head In Disp. Capacity

HEAD & PLUGS ☐ TGB ☐ D.P. ☐ SQUEEZE JOB ☐ DOUBLE ☐ SINGLE ☐ SWAGE ☐ KNOCKOFF ☐ THREAD ☐ NEW ☐ USED ☐ DEPTH ☐ DEPTH

ANNUAL VOLUME

TIME	PRESSURE	VOLUME PUMPED BBL	JOB SCHEDULED FOR TIME	ARRIVE ON LOCATION TIME	LEFT LOCATION TIME
0001 to 2400	TGB OR D.P. CASING	INCREMENTS CUM	INJECT RATE FLUID TYPE FLUID DENSITY	DATE: 10-14	DATE: 10-14
0830					
0838	1200	7	2.5	14.2	14.2
0845	1400	53	7.5	8.3	8.3
0900	1500	7	2.5	14.2	14.2
0902	1000	67	-	14.2	14.2
0903					
0915					

REMARKS

SYSTEM CODE	NO. OF SACKS	YIELD CU. FT/SK	COMPOSITION OF CEMENTING SYSTEMS	SLURRY MIXE BBL	DE
1.	80	1.06	POZ-61455 G 50/50	14	14
2.					
3.					
4.					
5.					
6.					

BREAKDOWN FLUID TYPE ☐ HESITATION SQ. ☐ RUNNING SQ. ☐ CIRCULATION LOST ☐ YES ☒ NO

BREAKDOWN PSI FINAL ☐ PSI ☐ DISPLACEMENT VOL. ☐ BBL ☐ MEASURED DISPLACEMENT ☐ WIRELINE

Washed Thru Perfs ☐ YES ☐ NO TO TO

CUSTOMER REPRESENTATIVE **KENNY HARRIS** SUPERVISOR **H. V. HARRIS**



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 250 - Cut Bank, Montana 59403 (406) 873-2235

CONSERVATION COMMISSION

FEB 26 1991

TO: J. V. Montalban

FROM: R. N. Roncco

SUBJECT: Navajo Tribal "O" 12, 16, and 18; Teec Nos Pos Field; Apache County
Arizona

Paul Smith of Smith Welding performed the following work on the above captioned wells during the plugging and abandonment of the wells:

- N. T. "O" 12: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing dropped approximately 3 feet inside the 8 5/8" casing when the 4 1/2" casing was cut.
- N. T. "O" 16: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing dropped approximately 3 feet inside the 8 5/8" casing when the 4 1/2" casing was cut.
- N. T. "O" 18: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing did not drop inside the 8 5/8" casing when the 4 1/2" casing was cut.

The above work was done on approximately October 17, 1990. I was not present but the work was done according to my instructions. The above information was given to me by Paul Smith during our telephone conversation on February 18, 1991.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

NOV 22 1988

Approved
Bureau No. 42-101424

834

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☒ gas well ☐ other ☐

2. NAME OF OPERATOR

MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR

P.O. Box 250 - Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: Sec. 22, 860' FSL & 400' FEL

AT TOP PROD. INTERVAL:

AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☒

(other)

SUBSEQUENT REPORT OF:

☐

☐

☐

☐

☐

☐

☐

☐

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

MOUNTAIN STATES RESOURCES, INC. proposes to plug and abandon this well because commercial production has not been attained and the lease has been cancelled. All work will be done in accordance to BLM and AOGCC regulations. The proposed procedure is as follows:

1. MIRUSU.

2. TOOH with rods, pump, tubing, and anchor-catcher. RIH with tubing to 5135 ft. Spot 15 sx of 50:50 Pozmix cement at 5135 ft. TOOH with tubing.

3. Shoot off 4 1/2" casing at 4000 ft. and TOOH with casing. Fill the hole with 9.0 ppg fresh water gel mud.

4. RIH with tubing to 1570 ft. Spot 30 sx of 50:50 Pozmix cement at 1570 ft. TOOH with tubing to 20 ft.

5. Spot 10 sx of 50:50 Pozmix cement in 8 5/8" casing to surface. TOOH with tubing.

6. RDNOSU and reclaim location.

Subsurface Safety Valve: Manu. and Type

Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED

V. Montalban

TITLE President

DATE October 3, 1988

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

BLM(4), AOGCC(3)

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

APR 30 1984

O & G CONS. COMM.

1. Name of Operator MOUNTAIN STATES RESOURCES, INC.
 2. OIL WELL ☐ GAS WELL ☒ OTHER ☒ (Specify) Condensate
 3. Well Name NAVAJO "O" TRIBAL #16 API# 02-001-20278
 Location TEEC NOS. POS FIELD
 Sec. SESE Sec. 22 Twp. 41N Rge. 30E County Apache, Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo "O" #NOO-C-14-20-4433
 5. Field or Pool Name Teec Nos Pos

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>		ABANDONMENT <input type="checkbox"/>
(OTHER) <u>Status of Well</u>		(OTHER) _____	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This well was completed as a dual producer from the Desert Creek and Lower Ismay (as per previous reports submitted). Well is capable of producing at rate of 2.3 MMCFPD with 125 barrels of condensate per day. We have attempted to negotiate a Gas Contract with El Pao. They say they are not signing any new gas; as a result, with no Contract to sell gas THE WELL REMAINS SHUT-IN, and will do so until we can obtain a Contract from El Paso Natural Gas.
 January & February 1984: Installed side door B.H. Choke. Now testing Navajo #16 for 30 days to determine gas-oil ratio and production potential. Well appears to be producing minimum of gas, oil and water. Testing continuing.

8. I hereby certify that the foregoing is true and correct.

Signed J. V. Montalban Title President Date April 19, 1984.
J. V. Montalban - Mgr. of Operations

Permit No. 00834

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 Form No. 25 File One Copy

RECEIVED
 MAR 2 1984

Form 9-331
Dec. 1973
RECEIVED
NOV 7 1983

REPORT #5
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

O & G CONS. COMM.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ gas ☒ other ☐

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
P. O. Box 1995 - Cut Bank, Mt. 59427-1995

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 860' FSL & 400' FEL S/2 SE/4
AT TOP PROD. INTERVAL: AS ABOVE
AT TOTAL DEPTH: AS ABOVE

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐

(other) Status of Well

SUBSEQUENT REPORT OF:

☐
☐
☐
☐
☐
☒
☐
☐

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was completed as a dual producer from the Desert Creek and Lower Ismay (as per previous reports submitted). Well is capable of producing at rate of 2.3 MCFPD with 125 barrels of condensate per day.

We have attempted to negotiate a Gas Contract all summer with El Paso. They say they are not signing any new gas; as a result, with no Contract to sell gas, THE WELL REMAINS SHUT-IN, and will do so until we can obtain a Contract from El Paso Natural Gas.

Subsurface Safety Valve: Menu. and Type Dowell 4 1/2" Float Shoe Set @ 5,198 Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban, Pat. Eng. TITLE Mgr. of Operations DATE August 30, 1983

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

REPORT #5

PANTECHS LABORATORIES

☐ P. O. BOX 681 TEL. 806 669-6821 PAMPA, TEXAS 79065
☐ P. O. BOX 3246 TEL. 806 797-4325 LUBBOCK, TEXAS 79452

ANALYSIS RESULTS SUMMARY

COMPONENT	MOL %	GPM	LIQ. VOL %
NITROGEN	1.81	@14.65#	
CARBON DIOXIDE	0.44		
METHANE C1	84.32		
ETHANE C2	7.64	2.031	
PROPANE C3	2.89	0.791	
I-BUTANE I C4	0.39	0.127	
N-BUTANE N C4	0.91	0.285	
I-PENTANE I C5	0.31	0.113	
N-PENTANE N C5	0.52	0.187	
HEXANES C6	0.51	0.208	
HEPTANES+	0.26	0.116	

SAMPLE DATA

DATE SAMPLED 2-15-83 CYL. NO. 997
 DATE OF ANALYSIS 2-18-83
 COMPANY MOUNTAIN STATES RESOURCES
~~TEEC NOS POS-APACHE CNTY., ARIZONA~~
 LEASE NAVAJO TRIBAL "O" LCO #16
 SAMPLE OF WELLHEAD GAS-SAMPLE NO. 1
 PRESSURE 1500 psig
 TEMPERATURE 40°F ATMOS.
 GAS (☒) LIQUID () OIL ()
 SAMPLED BY: MOUNTAIN STATES RESOURCES/RONCCO
 ANALYSIS BY: AL PATRILLO
 DISTRIBUTION OF RESULTS:
MOUNTAIN STATES RESOURCES
2-MR. JOE MONTALBAN: CUTHANK, MONT.
1-MR. RENO RONCCO: CORTEZ, COLO.

GASOLINE CONTENT

PENTANES AND HEAVIER	0.624
BUTANES AND HEAVIER	1.036
PROPANE AND HEAVIER	1.827
26 # GASOLINE	0.660

HEATING VALUE

	GROSS BTU/CU. FT.
WATER SATURATED	
CALORIMETER	14.65 PSIA & 60°F
WATER SATURATED	
CALCULATED	1156
1176	DRY GAS BASIS: 14.65 psia & 60°F

SPECIFIC GRAVITY

MEASURED	ANALYTICAL BALANCE	0.692
CALCULATED	WATER VAPOR SATURATED	0.692
	DRY GAS BASIS	0.693

VAPOR PRESSURE

REMARKS:

DESERT CREEK, ISMAY COMMINGLED
5126-31' KB 5073-83' KB

file T/W 834

PANTECHS LABORATORIES

☐ P. O. BOX 681 TEL. 806 669-6821 PAMPA, TEXAS 79065
☐ P. O. BOX 3246 TEL. 806 797-4325 LUBBOCK, TEXAS 79452

ANALYSIS RESULTS SUMMARY

COMPONENT	MOL %	GPM	LIQ. VOL %	SAMPLE DATA	
NITROGEN	1.81	@14.65#		DATE SAMPLED	2-15-83 CYL. NO. 997
CARBON DIOXIDE	0.44			DATE OF ANALYSIS	2-18-83
METHANE C1	84.32			COMPANY	MOUNTAIN STATES RESOURCES
ETHANE C2	7.64	2.031		XXXX TEEC NOS POS-APACHE CNTY., ARIZONA	
PROPANE C3	2.89	0.791		LEASE	NAVAJO TRIBAL "O" LCO #16
I-BUTANE I C4	0.39	0.127		SAMPLE OF	WELLHEAD GAS-SAMPLE NO. 1
N-BUTANE N C4	0.91	0.285		PRESSURE	1500 psig
I-PENTANE I C5	0.31	0.113		TEMPERATURE	40°F ATMOS.
N-PENTANE N C5	0.52	0.187		GAS (<input checked="" type="checkbox"/>) LIQUID () OIL ()	
HEXANES C6	0.51	0.208		SAMPLED BY:	MOUNTAIN STATES RESOURCES/RONCCO
HEPTANES+	0.26	0.116		ANALYSIS BY:	AL PATTILLO
				DISTRIBUTION OF RESULTS:	
					MOUNTAIN STATES RESOURCES
					2-MR. JOE MONTALBAN: CULBANK, MONT.
					1-MR. RENO RONCCO: CORTEZ, COLO.

GASOLINE CONTENT

PENTANES AND HEAVIER	0.624
BUTANES AND HEAVIER	1.036
PROPANE AND HEAVIER	1.827
26 # GASOLINE	0.660

HEATING VALUE

CALORIMETER	GROSS BTU/CU. FT.
	WATER SATURATED
	14.65 PSIA & 60 F
CALCULATED	1156
	WATER SATURATED
	14.65 PSIA & 60 F
1176	DRY GAS BASIS: 14.65 psia & 60F

SPECIFIC GRAVITY

MEASURED	ANALYTICAL BALANCE	0.692
CALCULATED	WATER VAPOR SATURATED	0.692
	DRY GAS BASIS	0.693

VAPOR PRESSURE

REMARKS:

DESERT CREEK, ISMAY COMMINGLED
5726-31' KB 5077-8' KB

RECEIVED

FEB 25 1983

ALL INFORMATION IS UNCLASSIFIED

TEMPERATURE ★

Wilson Service Co.

★ SURVEYS ★ ★

P. O. BOX 1619 • FARMINGTON, NEW MEXICO 87401 • PHONE: (505) 327-2575

Pressure Survey

COMPANY.....MOUNTAIN STATES RESOURCES LEASE NAVAJO TRIBAL "O"..... WELL.....#16
 FIELD.....Dakota..... LOCATION.....
 COUNTY.....APACHE..... STATE.....ARIZONA..... DATE.....1-24-83
 TEST-IN.....1-22-83..... ELEVATION..... DATUM.....
 ZERO POINT.....KB..... TBG. PRESSURE.....480# INT..... CASING PRESSURE.....
 TBG. DEPTH.....5093'..... CASING SET..... P.B.T.D.
 PACKER SET.....5093'..... CASING PERF. 5126 - 5131..... MAX. TEMP.
 FLUID LEVEL.....NONE.....

45 HOUR Build-up

HOUR	PRESSURE	HOUR	PRESSURE	HOUR	PRESSURE
1	1190	16	2122	31	2154
2	1381	17	2127	32	2155
3	1697	18	2132	33	2156
4	1888	19	2134	34	2157
5	1955	20	2136	35	2158
6	1990	21	2140	36	2160
7	2022	22	2142	37	2161
8	2040	23	2144	38	2163
9	2063	24	2146	39	2164
10	2075	25	2147	40	2165
11	2087	26	2148	41	2167
12	2098	27	2149	42	2169
13	2102	28	2150	43	2170
14	2108	29	2151	44	2171
15	2117	30	2152	45	2172

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

P. O. BOX 2088

Form C-122

Revised 10-1-78

ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test		<input checked="" type="checkbox"/> Initial		<input type="checkbox"/> Annual		<input type="checkbox"/> Special		Test Date		1-24-83	
Company				Connection				Well No.			
Mountain States Resources Inc.				Location				Dakota			
Pool				Elevation				Form or Lease Name			
Tec Nos Pos				Dakota				Navajo Tribal "0"			
Completion Date		Total Depth		Plug Back TD		Elevation		Well No.			
4.500		10.5		4.052		5093		16			
Perforations:		From 5126		To 5131		Perforations:		Unit Sec. Twp. Rys.			
2.375		4.7		1.995		5093		County			
Type Well - Surface - Broadhead - G.G. or G.O. Multiple		Single		Packer Set At		5093		Apache			
Producing Test		Reservoir Temp. °F		Mean Annual Temp. °F		Baro. Press. - P _a		State			
L		H		Gg		% CO ₂		% H ₂		% H ₂ S	
0.600											
FLOW DATA				TUBING DATA				CASING DATA			
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. in. H ₂ O	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	Duration of Flow
1.	2"		0.375	1100		32	1810				
2.											
3.											
4.											
5.											
RATE OF FLOW CALCULATIONS											
NO.	Coefficient (24 Hour)	$\sqrt{P_m P_w}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g	Super Compress. Factor F _{sp}	Rate of Flow Q, Mc/d				
1	3.1420		1112	1.0281	1.000	1.127	4048				
2.											
3.											
4.											
5.											
NO.	P _t	Temp. °F	P _w	2	Gas Liquid Hydrocarbon Ratio _____ Mc/d						
1					A.P.L. Gravity of Liquid Hydrocarbons _____ Deg.						
2					Specific Gravity Separator Gas _____ XXXXXXXX						
3					Specific Gravity Flowing Fluid _____ XXXXX						
4					Critical Pressure _____ P.S.I.A. _____ P.S.I.A.						
5					Critical Temperature _____ R _____ R						
$P_c = 1822$ $P_c^2 = 3319684$											
NO.	P _t	P _w	P _t ²	P _w ²	(1) $\frac{P_c^2}{P_t^2 - P_w^2} = 1.8500$ (2) $\left[\frac{P_c^2}{P_t^2 - P_w^2} \right]^n = 1.5863$						
1		1235	1525225	1794459	ACF = Q $\left[\frac{P_c^2}{P_t^2 - P_w^2} \right]^n = 6421$						
2											
3											
4											
5											
Absolute Open Flow 6421 Mc/d @ 15.025 Angle of Slope 45 Slope, n 0.75											
Remarks:											
Approved by Division				Conducted By				Checked By:			
Wilson Service Co				H. E. McAnally							

Form 9-331
Dec. 1973

REPORT #4

Form Approved.
Budget Bureau No. 42-R1424

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ gas ☒ other ☐

2. NAME OF OPERATOR

Mountain states Resources, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 176 Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: 860' FSL & 400' FEL S/2 SE/4

AT TOP PROD. INTERVAL: as above

AT TOTAL DEPTH: as above

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☐

(other) ☐

SUBSEQUENT REPORT OF:

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5. LEASE

N00-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
NONE

8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL

9. WELL NO.

NAVAJO "O" #16

10. FIELD OR WILDCAT NAME
TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SE SE Sec. 22 - T41N - R30E

12. COUNTY OR PARISH 13. STATE
APACHE ARIZONA

14. API NO.

02-001-20278

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4979 Ground - K.B. 4992

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

- 1-18-83 - Moved on NL Rig #197. Pick up tubing (32 jts) w/bit and casing scraper.
1-19-83 - Ran total 164 jts. of 2 3/8 EUE tubing. Scrapped casing to 5195. Pulled tubing.
1-20-83 - Ran cement bond log - perforated Desert Creek. 5126-5131 w/4 shots per foot.
Set R.B.P. @5162 K.B. Set packer @5093K.B. swab tubing dry.
1-21-83 - Overnight S.I.T.P. 250# acidized w/500 gal. 28% HCL. Making 1.5mmcf on 3/8"choke.
1-22-83 - S.I.T.P. 18 hrs = 1775 psi. Flowed to pits making 1.5mmcf & slugs of condensate.
Rig up Wilson Service & run pressure bomb @5085.
1-24-83 - S.I. 44 hrs. - S.I.T.P. 1810 psi - pulled bomb - released packer, picked up R.B.P.
Reset @5120 K.B. Set Baker Packer @4876.
1-25-83 - S.I. 15 hrs. T.P. 1500# PSI. Perforate Ismay 5073 to 5083 w/4shots per ft.
Acidized w/500 gals 28% Dowell HCL. Swabbed well in. Flow to pits. 3/8" choke
flowing @1175 PSI. Making 1.2 mmcf and condensate. (Over)

Subsurface Safety Valve: Manu. and Type Dowell 4 1/2 Float Shoe Set @ 5198 Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED

E.V. Montalban

TITLE

Mgr. of Operations

DATE

February 7, 1983

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

REPORT #4

*See Instructions on Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment: data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

GPO : 1975 O - 214-149

1-26-83 - S.I.P. 1725 PSI. Flowing pressure 1075# PSI - stable 2 hrs. 1.5 mmcf gas and slugging condensate.

1-27-83 - S.I. 21.5 hrs. - S.I.T.P. 1725# - flowed well to pits on 3/8" and 20/64 chokes. F.F.P. 1372 - 1.5mmcf per day and 70 bbls condensate from Lower Ismay. Killed well and released packer. Picked up R.B.P.

Well started to kick. Pumped 10 bbls KCL water. Set R.B.P. @5060'. Packer @4963. Tested R.B.P.

ok w/800 PSI. Swab tubing to 4000.

1-28-83 - Prepare to perforate Upper Lower Ismay 5030-5040. Go in with gun. R.B.P. came up the hole. Pump 100 bbls KCL water to kill. Decide not to perforate any additional hole. Pull tubing to recover Baker Packer and R.B.P. All tubing out but 15 jts. Well trying to kick off. Pump more KCL water.

SHUT DOWN.

1-29-83 - Resume operations 8:AM. T.P. 1075 psi. Pumped 40 barrels of KCL water down tubing to kill, pulled 28 jts. of tubing, laid down Baker Packer and R.B.P. Ran in with 10 jts. of tubing. Well kicked and began unloading. Pumped another 20 barrels KCL water down tubing, but could not kill. Shut down at 3:PM for weekend.

1-31-83 - Shut-in over weekend. Tubing pressure 1650#psi. Pumped 30 barrels KCL water down tubing. Ran 98 jts. tubing in hole, well started unloading. Killed with 10 barrels water. Ran another 68 jts. tubing in hole. Pumped another 20 barrels KCL water down tubing to kill well. Landed 2 3/8" EUE tubing @ 5067' B. Seating nipple @ 5035 K.B. Nipped up wellhead, rigged to swab, removed B.O.P. made 10 swab runs, recovered 60 Bbls. of load KCL water. Well kicked off & started flowing. Flowed well to pits for 2 Hrs. on 1/2" orifice. Shut down 5:PM. Well making 2.3MCFPD on 1/2" orifice with 1275 psi. Tubing pressure making heavy mist of condensate.

2-01-83 - Well shut-in 15 Hrs. Overnight T.P. 1600 psi @ 8:AM. Flowed well to pits through portable separator. Making 2.3MCFPD on 1/2" orifice with 1300# psi back pressure on tubing. Attempted measuring condensate into test tank. Appears well will make 125 barrels of condensate per day (light-brownish-yellow in color). Flowed well till noon: Shut-in. Rigged down NL Rig #197 - Move back to Cortez. WELL SHUT-IN PENDING MARKET OUTLET FOR GAS.

END REPORT - NAVAJO #16



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

MSR/ERG - #16 NAVAJO - "O" COMPLETION REPORT

Page 3.....

January 29
Saturday

Resume operations 8:AM.T.P. 1075 psi. Pumped 40 barrels of KCL water down tubing to kill, pulled 28 jts. of tubing, laid down Baker Packer and R.B.P. Ran in with 10 jts. of tubing. Well kicked and began unloading. Pumped another 20 barrels KCL water down tubing, but could not kill. Shut down at 3:PM for weekend.

January 31
Monday

Shut-in over weekend. Tubing pressure 1650#psi. Pumped 30 barrels KCL water down tubing. Ran 98 jts. tubing in hole, well started unloading. Killed with 10 barrels water. Ran another 68 jts. tubing in hole. Pumped another 20 barrels KCL water down tubing to kill well. Landed 2 3/8" EUE tubing @ 5067 K.B. Seating nipple @ 5035 K.B. Nippled up wellhead, rigged to swab, removed B.O.P. made 10 swab runs, recovered 60 Bbls. of load KCL water. Well kicked off & started flowing. Flowed well to pits for 2 Hrs. on 1/2" orifice. Shut down 5:PM. Well making 2.3MCPPD on 1/2" orifice with 1275 psi. Tubing pressure making heavy mist of condensate.

February 1
Tuesday

Well Shut-In 15 Hrs. Overnight T.P. 1600 psi @ 8:AM. Flowed well to pits through portable separator. Making 2.3MCPPD on 1/2" orifice with 1300# psi back pressure on tubing. Attempted measuring condensate into test tank. Appears well will make 125 barrels of condensate per day (light-brownish-yellow in color). Flowed well till noon: Shut-in. Rigged down NL Rig #197 - Move back to Cortez. WELL SHUT-IN PENDING MARKET OUTLET FOR GAS.

END REPORT - NAVAJO #16



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

page 2.....

MSR/ERG - #16 NAVAJO - "O" COMPLETION REPORT

January 24:
Monday
8:00 AM shut in 44 hrs. Shut in T.P. 1810 PSI. Pulled pressure bomb and took gas sample. Flow tested well through 3/8" choke for 3 hrs. I.P. @1.5MMCF per day and 5 bbls.con/day. Flowed well to pits for 2 more hrs. Final flow pressure at end of day 400 PSI. Released packer and reverse circulated well with 25 barrels of KCL water. Ran in hole with 1 joints tubing and picked up and released R.B.P. Pulled 2 joints tubing and set R.B.P. at 5120 K.B. Pulled 7 joints tubing and set Baker Packer at 4876. Bottom of tailpipe @4910. Shut down 5:00 PM.

January 25
Tuesday
8:00 AM. Shut in 15 hrs. S.T.P. 1500# PSI. Bled well to pits. Zero P.S.I. in 20 mins. Pressure tester R.B.P. to 600# PSI. Held ok. Swabbed tubing to 4000'. Rigged up Basin Perforators. Perforated 5073 to 5083 with 4 shots per foot (total 40 shots) using 1 11/16 formed wire gun using dispersable glass charges. Well making 50MMCF per day after perforating. Rigged up Dowell and acidized zone with 500 gallons of 28% HCl. Maximum rate 2 B.P.M. - max pressure 500# - average rate 2 B.P.M. average pressure 100# I.S.I. pressure zero. 38 Bbls. of KCL load to be recovered. Opened well to pits on vacuum. Make 1 swab run to 1500'. Well kicked off. Flowed to pits 1 hr. - 3/8" choke. Flowing tubing pressure 1175# PSI. Well making 1.2 million MCF per day and condensate. Shut down for night @5:00 PM.

January 26:
Wednesday
8:00 AM Shut in 15 hrs. S.T.P. press. 1725 PSI. Flowed well to pit 3/8 choke 2 1/2 hrs. F.F. pressure 1075# PSI stabilized for 2 hrs. Est. 1.5 million per day and slugging condensate. Shut in 11:15 AM. Rig pump unable to pressure more than 600#.

January 27:
Thursday
8:00 AM Shut in 21.5 hrs. Shut in pressure 1725# PSI on tubing. Flowed well to pit = 3/8" and 20/64 choke for 3 hrs. Final flowing pressure 1372 PSI. Estimate 1.5 million per day and 70 bbls. condensate. Killed well with rig pump and released packer. Well went on vacuum - picked up 7 jts. of tubing and released bridge plug. Well started to kick in and killed with 10 Bbls. KCl water. Pulled 2 jts. of tubing. Set bridge plug at 5060. Pulled 2 more joints tubing set packer @4963. Btm. of tailpipe @ 4997. Pressure tested bridge plug to 800# PSI. Held Ok for 15 mins. Swabbed tubing to 4000'. Shut down for day @4:00 PM.

January 28:
Friday
Prepare to perforate Upper Lower Ismay 5030 - 5040, to follow with 500 gallon acid job. Go in with gun. R.B.P. came up the hole. Pump 100 bbls. KCL water to kill. Decide not to perforate any additional hole. Pull tubing to recover Baker Packer and R.B.P. all tubing out but 15 jts. Well trying to kick off. Pump more KCL water. Shut down.

END OF REPORT FOR PERIOD.

834



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

1982/83

RECEIVED

MSR/ERG - #16 NAVAJO - "O"
COMPLETION REPORT

JAN 31 1983

O & G CONS. COMM.

January 18: Noon -
Tuesday Move on and rigged up NL Rig #197.
Ran 2 3/8 EUE tubing with 3 3/4" R/R Smith Bit and 4 1/2" casing scraper.
Ran in 32 joints - shut down @5:30 - dark.

January 19: 8:00 AM
Wednesday Ran additional 132 joints of tubing and tagged PBTD @5195 K.B.
Filled flat tank with Hay Hot Oil truck. Mixed 150 barrels of 1%
KCL water. Nippled up BOP - Reverse circulated for 3/4 hours.
Tripped out of hole with tubing and laid down casing scraper.
Shut down @5:30 PM.

January 20: 8:00 AM
Thursday Rig up Basin Perforators and ran cement bond log with Gamma CCL from
5184.5 to 4600 K.B.
Perforated Desert Creek 5126 - 5131 K.B. with 4 shots per/foot
using hollow carrier casing gun. (total 20 shots). Hole started
making gas immediately at rate of 20 MCF. Picked up Baker 4 1/2 Model "C"
R.B.P. and 4 1/2" Model "C" packer. Ran in hole with 163 joints of 2 3/8"
EUE tubing. Set R.B.P. at 5162 K.B. Pulled one joint tubing. Set
packer at 5093 K.B. tailpipe at 5129 K.B. Swabbed tubing dry. Shut
down at night @4:30 PM.

January 21: 8:00 AM
Friday Shut in 15 1/2 hrs. S.I. tubing pressure 250# swabbed tubing dry.
Acidized with Dowell using 500 gallons of 28% regular HCl.
Maximum rate 2 barrels per minute. Maximum press. 1950, average
rate 2 barrels per minute. Average pressure 1000#.
Instant shut in 350# 15 mins. S.I. 250#. 35 bbls. of load to be
recovered. Flowed well to pits for 1 1/2 hrs. Well making 1.5 MCF through
3/8" choke. Shut down for day @2:00 PM = 6 hrs.

January 22: 8:00 AM Shut in 18 hrs.
Saturday S.I.T.P. 1775 PSI
Flowed well to pits through 3/8" choke for 3 hrs. making 1.5 MCF per
day with slugs of condensate. Final flowing pressure after 3 hrs.
500 PSI. Rig up Wilson Service Co., wire line and set pressure bond
@5085. Shut down for day @noon.

Form 9-331
Dec. 1973

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☐ gas well ☒ other ☐

2. NAME OF OPERATOR

Mountain States Resources, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 176 Cut Bank, Montana 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: 860' FSL & 400' FEL S/2 SE/4

AT TOP PROD. INTERVAL: as above

AT TOTAL DEPTH: as above

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☐

(other) ☐

SUBSEQUENT REPORT OF:

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17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

- 1-18-83 - Moved on NL Rig #197. Pick up tubing (32 jts) w/bit and casing scraper.
1-19-83 - Ran total 164 jts. of 2 3/8 EUE tubing. Scrapped casing to 5195. Pulled tubing.
1-20-83 - Ran cement bond log - perforated Desert Creek: 5126-5131 w/4 shots per foot.
Set R.B.P. @5162 K.B. Set packer @5093K.B. swab tubing dry.
1-21-83 - Overnight S.I.T.P. 250# acidized w/500 gal. 28% HCL. Making 1.5mmcf on 3/8"choke.
1-22-83 - S.I.T.P. 18 hrs = 1775 psi. Flowed to pits making 1.5mmcf & slugs of condensate.
Rig up Wilson Service & run pressure bomb @5085.
1-24-83 - S.I. 44 hrs. - S.I.T.P. 1810 psi - pulled bomb - released packer, picked up R.B.P.
Reset @5120 K.B. Set Baker Packer @4876.
1-25-83 - S.I. 15 hrs. T.P. 1500# PSI. Perforate Ismay 5073 to 5083 w/4shots per ft.
Acidized w/500 gals 28% Dowell HCL. Swabbed well in. Flow to pits. 3/8" choke
flowing @1175 PSI. Making 1.2 mmcf and condensate.

Subsurface Safety Valve: Manu. and Type Dowell 4 1/2 Float Shoe Set @ 5198 Ft.

18. I hereto certify that the foregoing is true and correct

SIGNED *[Signature]* TITLE Mgr. of Operations DATE January 31, 1983
J.V. Montalban

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY.

TITLE DATE

Form Approved.
Budget Bureau No. 42-R1424

5. LEASE

NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NAVAJO

7. UNIT AGREEMENT NAME

NONE

8. FARM OR LEASE NAME

NAVAJO "O" TRIBAL

9. WELL NO.

NAVAJO "O" #16

10. FIELD OR WILDCAT NAME

TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SE SE Sec. 22 - T41N - R30E

12. COUNTY OR PARISH

APACHE

13. STATE

ARIZONA

14. API NO.

02-001-20278

15. ELEVATIONS (SHOW DF, KDB, AND WD)

4979 Ground - K.B. 4992

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

RECEIVED
FEB 7 1983

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. Consult local

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below; between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

CMO: 1976 O-214-148

- 1-26-83 - S.I.P. 1725 PSI. Flowing pressure 1075# PSI - stable 2 hrs. 1.5 mmcf gas and slugging condensate. F.F.P. 1372 - 1.5mmcf
- 1-27-83 - S.I.P. 1725# - S.I.T.P. 1725# - flowed well to pits on 3/8" and 20/64 chokes. F.F.P. 1372 - 1.5mmcf
- 1-27-83 - S.I. 21.5 hrs. - S.I.T.P. 1725# - flowed well to pits on 3/8" and 20/64 chokes. F.F.P. 1372 - 1.5mmcf
- per day and 70 bbls condensate from Lower Ismay. Killed well and released packer. Picked up R.B.P.
- Well started to kick. Pumped 10 bbls KCl water. Set R.B.P. @5060'. Packer @4963. Tested R.B.P.
- ok w/800 PSI. Swab tubing to 4000.
- 1-28-83 - Prepare to perforate Upper Lower Ismay 5030-5040. Go in with gun. R.B.P. came up the hole. Pump
- 100 bbls KCl water to kill. Decide not to perforate any additional hole. Pull tubing to recover
- Baker Packer and R.B.P. All tubing out but 15 jts. Well trying to kick off. Pump more KCl water.
- SHUT DOWN.

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY SERVICES AND INFORMATION

1-26-83 - S.I.P. 1725 PSI. Flowing pressure 1075# PSI - stable 2 hrs. 1.5 mmcf gas and slugging condensate. F.F.P. 1372 - 1.5mmcf

1-27-83 - S.I.P. 1725# - S.I.T.P. 1725# - flowed well to pits on 3/8" and 20/64 chokes. F.F.P. 1372 - 1.5mmcf

1-27-83 - S.I. 21.5 hrs. - S.I.T.P. 1725# - flowed well to pits on 3/8" and 20/64 chokes. F.F.P. 1372 - 1.5mmcf

per day and 70 bbls condensate from Lower Ismay. Killed well and released packer. Picked up R.B.P.

Well started to kick. Pumped 10 bbls KCl water. Set R.B.P. @5060'. Packer @4963. Tested R.B.P.

ok w/800 PSI. Swab tubing to 4000.

1-28-83 - Prepare to perforate Upper Lower Ismay 5030-5040. Go in with gun. R.B.P. came up the hole. Pump

100 bbls KCl water to kill. Decide not to perforate any additional hole. Pull tubing to recover

Baker Packer and R.B.P. All tubing out but 15 jts. Well trying to kick off. Pump more KCl water.

SHUT DOWN.

Form 9-331
Dec. 1973

REPORT #3
RECEIVED
JAN 17 1983
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY & G. COMM.

Form Approved.
Budget Bureau No. 42-R1424

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ well gas ☐ well other ☐

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR 59427
P.O. Box 176 - CBM Bldg. - Cut Bank, Mt.

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: 860' FSL & 400' FEL S/2 SE/4

AT TOP PROD. INTERVAL: as above

AT TOTAL DEPTH: as above

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☐

(other) ☐

SUBSEQUENT REPORT OF:

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(NOTE: Report results of multiple completion or zone change on Form 9-330.)

X Report of Drilling and Setting Production Casing.

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Jan. 4/83 - Drilling @3655 w/Bit #2. Mud logging unit on location.

Jan. 5/83 - Drilling @4225 w/Bit #3 - Vis. 38 - Wt. 8.4

Jan. 6/83 - Drilling @4708 w/Bit #3 - Vis. 32 - Wt. 9.2

Jan. 7/83 - Drilling @4960 w/Bit #4 - Vis. 43 - Wt. 9.2 W.L. 6/c

Jan. 8/83 - Drilling @5097 w/Bit #4 - Vis. 60 - Wt. 9.5 - attempted DST. Misrun:
Could not reach bottom, made 3 trips to clean hole/test Ismay-Drlg resumed.

Jan. 9/83 - Drilled to T.D.5200. Attempted to run logs. Unable to get past bridges
@2338 & 2430-Made two trips to condition. Lay down DP & CD & ran prod.csg.

Jan.10/83 - Ran 130 jts. 4 1/2"10.5# J55 LTC 8rd prod.csg.-overall total 5224.9. Landed
@5196 K.B. Cemented w/200 sax type "B" cement +10% salt. Plug @11:00AM. Bumped w/1000#
Float held ok.

Jan.11/12 - Move Energy Research Rig #1 off location. Will move on service rig
to run Gamma/Neutron Logs and complete.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban TITLE Mgr. of Operations DATE January 12, 1983
P. Eng.

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Report #3

834

Form 9-331
Dec. 1973

(Report #2)

Form Approved.
Budget Bureau No. 42-R1424

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ gas ☐ other ☐
well well

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
Box 176 - CBM Bldg. - Cut Bank, Mt. 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 860' FSL & 400' FEL S/2 SE/4
AT TOP PROD. INTERVAL: as above
AT TOTAL DEPTH: as above

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐

SUBSEQUENT REPORT OF:

(other) Report of setting surface casing.

5. LEASE
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME
None

8. FARM OR LEASE NAME
Navajo "O" Tribal

9. WELL NO.
Navajo "O" # 16

10. FIELD OR WILDCAT NAME
Teec Nos Pos Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22 - T41N - R30E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

14. API NO.
02-001-20278

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4979 Ground - K.B. 4991'

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Dec. 30/82: Energy Search Drilling Co. Rig #1 moved on and rigged up, out under conductor.
Dec. 31/82: Drilled 12 1/4" surface hole to 1205'.
Jan. 1/83: Drilled 12 1/4" surface hole to 1519'. Ran 36 jts. of 8 5/8" J55 24# LT & C.
Overall measurements 1501.25'. Landed at 1515 K.B.. Cemented with 450 sax, 50-50 Poz, 6% Gel, 1/4 pound per gal. Cello-flex, 2% A7, plus 300 sax Class B Neat Cement, with 1/4 pound per gal. Cello-flex and 2% A7, for a total of 750 sax. Plug down at 3:30 AM
Jan. 1/83. Cement returns to surface.
Jan. 2/83: Total WOC time 15 hours. Depth 2063'.
Jan. 3/83: Drilling 7 7/8" hole at 2970'.

Subsurface Safety Valve: Manu. and Type _____

Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban, P. Eng. TITLE Mgr. of Operations DATE Jan. 3, 1983

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Report #2

*See Instructions on Reverse Side

Form 9-331
Dec. 1973

Report No. 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☒ gas well ☐ other ☐

2. NAME OF OPERATOR (For Energy)
MOUNTAIN STATES RESOURCES, INC. - Reserves Group

3. ADDRESS OF OPERATOR
Box 176 - CBM Bldg. - Cut Bank, Mt. 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 860' FSL & 400' FEL S/2 SE/4
AT TOP PROD. INTERVAL: As Above
AT TOTAL DEPTH: As Above

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐

SUBSEQUENT REPORT OF:

(other) Report of First Operations

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Navajo "O" #16 well has been staked, surveyed, and approved for drilling, by the Minerals Management Service of the U. S. Geological Survey, by Permit to Drill as approved December 1, 1982. Permit to Drill has also been received from the Oil & Gas Conservation Commission, State of Arizona, Permit #00834, and API No. 02-001-20278

Dec. 4-5-6/82: Grade location, dig sump and reserve pits.

Dec. 7/82: Moved on dry hole digger & drilled 42 feet of 18 inch hole. Set 14 inch conductor pipe and landed @ 40.5 ground elevation. Cemented with 35 sax from top to bottom.

Status: Waiting on drilling rig; which will move on around January 1, 1983.

Subsurface Safety Valve: Manu. and Type _____ - 0 - Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban TITLE Mgr. of Operations DATE Dec. 13, 1982

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

REPORT #1

Form Approved.
Budget Bureau No. 42-R1424

5. LEASE
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
NONE

8. FARM OR LEASE NAME
NAVAJO "O" TRIBAL

9. WELL NO.
16

10. FIELD OR WILDCAT NAME
TEEC NOS POS FIELD

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 22 - T41N - R30E

12. COUNTY OR PARISH 13. STATE
Apache Arizona

14. API NO.

02-001-20278

15. ELEVATIONS (SHOW DF, KDB, AND WD)

4979 Ground - K.B. Unknown @ present.

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

RECEIVED

JAN 13 1983

O & G CONS. COMM.

ORIGINAL

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER		RECEIVED
APPLICATION TO DRILL <input checked="" type="checkbox"/>		RE-ENTER OLD WELL <input type="checkbox"/>
		NOV 8 1982
NAME OF COMPANY OR OPERATOR		O & G CONS. COMM.
MOUNTAIN STATES RESOURCES, INC.		
Address	CBM Bldg. P.O. Box 176	City Cut Bank State Montana 59427
Drilling Contractor		
Unknown at this time.		
Address		
Unknown at this time.		
DESCRIPTION OF WELL AND LEASE		
Federal, State or Indian Lease Number, or if fee lease, name of lessor	Well number	Elevation (ground)
Navajo Tribal NOO-C-14-20-4433	#16 Nav-O	4979' (ungraded)
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease:	
400 feet	2107 feet	
Number of acres in lease:	Number of wells on lease, including this well, completed in or drilling to this reservoir:	
1280 acres	Two (2)	
If lease, purchased with one or more wells drilled, from whom purchased:	Name	Address
Energy Reserves Group, Inc.	P.O. Box 3280	Casper, Wyoming
Well location (give footage from section lines)	Section—township—range or block and survey	Dedication (Comply with Rule 105)
860'FSL & 400'FEL SE SE	Sec. 22, T41N-R30E	80 acres(S+SE4)
Field and reservoir (if wildcat, so state)	County	
TEEC NOS POS	Apache	
Distance in miles, and direction from nearest town or post office		
Approx. 2NW of TEEC NOS POS Trading Post.		
Proposed depth:	Rotary or cable tools	Approx. date work will start
5130'	Rotary	
Bond Status	Organization Report	Filing Fee of \$25.00
Active #4385444	#028954	
Amount	On file	Attached
\$25,000	Oct/82	\$25.00 Ck. #8909
Remarks:		
Mountain States Resources, Inc. proposes to drill the referenced well with rotary tools. No cores are anticipated. Potential zones which may be tested are the Lower Ismay at 5026' and the Desert Creek at 5111'. Copies of all logs run will be furnished upon completion of the well. Anticipated zone of completion is the Lower Ismay and Desert Creek.		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>President</u> of the <u>Mountain States Resources, Inc.</u> (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.		
Signature <u>J.V. Montalban</u> - President		
Date <u>October 22, 1982</u>		
Permit Number:	STATE OF ARIZONA	
834	OIL & GAS CONSERVATION COMMISSION	
Approval Date:	Application to Drill or Re-enter	
11-9-82	File Two Copies	
Approved By:	Form No. 3	
R. G. <u>Yfana</u>	(Complete Reverse Side)	
Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.		

1. Operator shall outline the dedicated acreage for *both* oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description All Sections 22 and 27
<div style="display: flex; justify-content: space-between;"> <div style="width: 55%;"> <p style="text-align: center;">R30E</p> <p style="text-align: center;">22</p> </div> <div style="width: 40%; padding-left: 10px;"> <p>CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Name <u>J.V. Montalban</u></p> <p>Position <u>President</u></p> <p>Company <u>Mountain States Resources, Inc.</u></p> <p>Date <u>October 22, 1982</u></p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 55%;"> <p style="text-align: center;">T21N</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> </div> <div style="width: 40%; padding-left: 10px;"> <p>Date Surveyed <u>June 28, 1982</u></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p><u>Gerald G. Huddleston</u></p> <p>Certificate No. <u>#6844</u></p> </div> </div>	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
8 5/8"	24#	J55	Surf.	1500'±	0' - 1500'	800 sax	
4 1/2"	10.5#	J55	Surf.	5250'±	4850' - 5250'	200 sax	

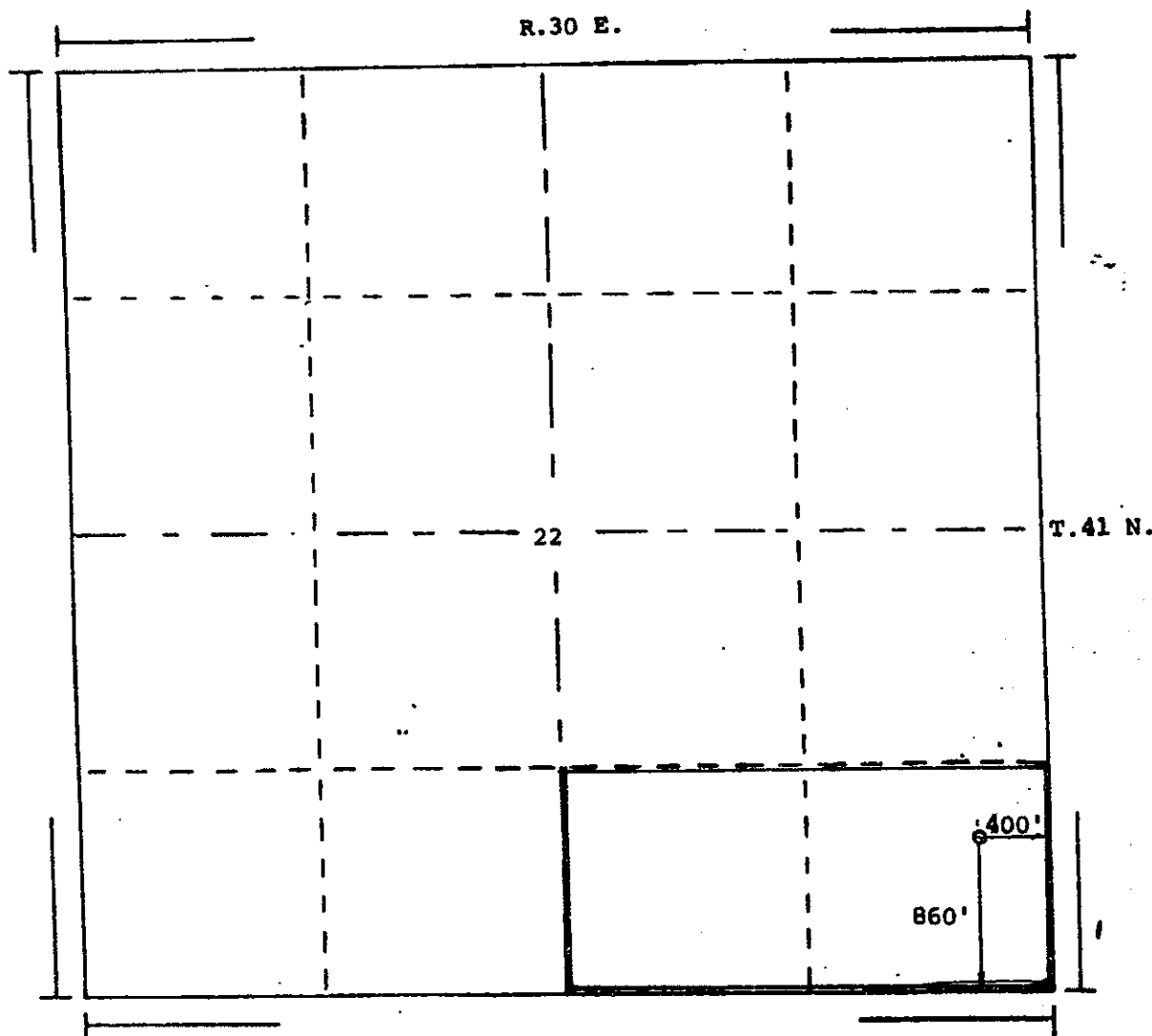


POWERS ELEVATION

RECEIVED

NOV 6 1982

O & G CONS. COMM.



Operator Mountain States Resources, Inc.		Well name Navajo Tribal "O" #16	
Section 22	Township 41 North	Range 30 East	Meridian Gila & Salt River
Footages 860 feet from the South line, and 400 feet from the East line		County / State Apache, Arizona	
Elevation 4979'	Requested by Jose Mantalban		
<p>The above survey and plot were done by me or under my supervision according to common practice and is true and correct to the best of my knowledge and belief.</p> <p>28 June '82 Date</p> <p><i>Gerald G. Huddleston</i> Gerald G. Huddleston, L.S.</p>			





PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: MOUNTAIN STATES RESOURCES, INC.
(OPERATOR)

to drill a well to be known as

#16 NAV-O
(WELL NAME)

located 860' FROM SOUTH LINE & 490' FROM EAST LINE

Section 22 Township 41 NORTH Range 30 EAST, APACHE County, Arizona.

The SE 1/2 SE 1/4 of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 9TH day of November, 19 82.

OIL AND GAS CONSERVATION COMMISSION

By R. G. [Signature]
EXECUTIVE DIRECTOR
ENFORCEMENT DIRECTOR

PERMIT

RECEIPT NO. 2344

A.P.I. NO. 02-001-20²₇₈

20278

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

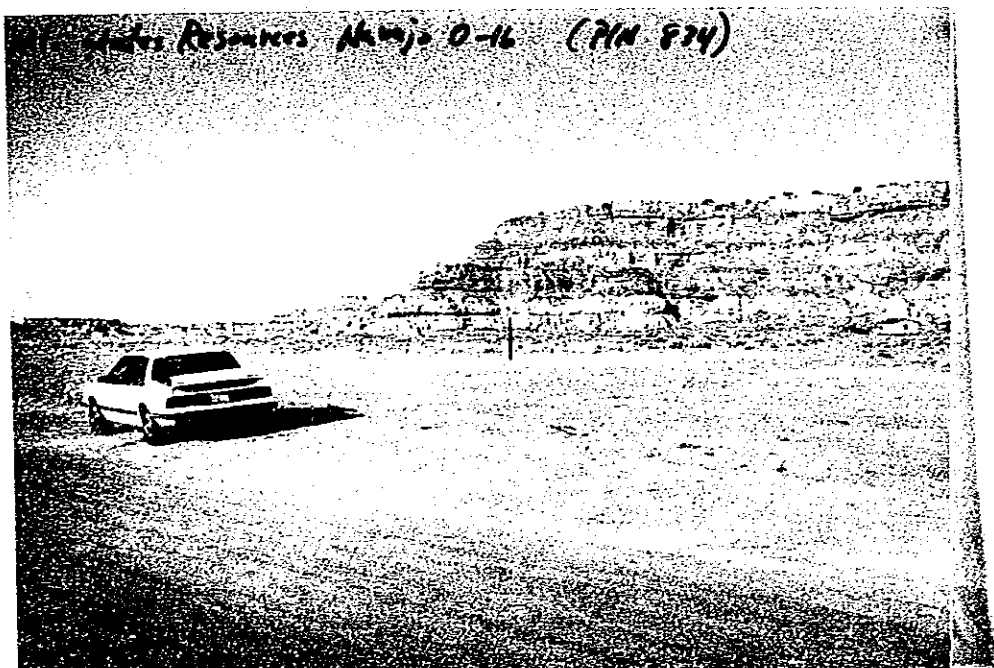
FORM NO. 27

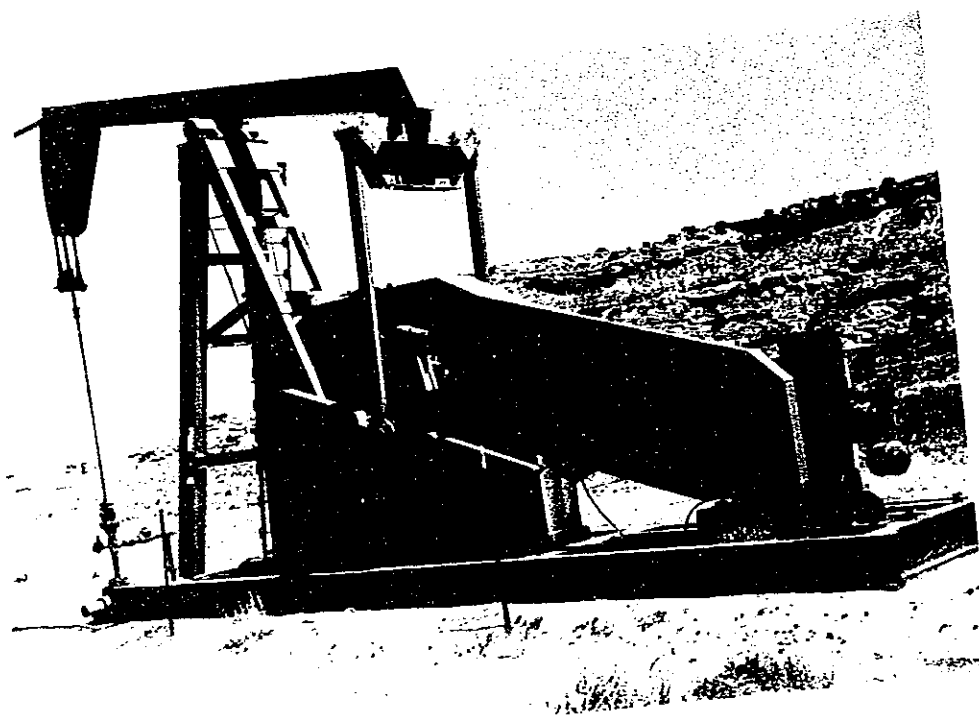
834



MR. Kungo D-16 (PIN 834)

2-14-91





Novojo 0' 16 Mount States Res

SE5522, T41 N 230E

P/N 834

Bond No. 4385444 Date Approved 11/9/82



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

October 2, 1997

Patrick M. Montalban
Mountain States Resources, Inc.
P.O. Box 250
Cut Bank, MT 59427-0250

Re: Mountain States Resources, Inc.
\$25,000 Oil Drilling Blanket Bond #438-5444
SAFECO Insurance Company of America

Dear Mr. Montalban:

Records of the Oil and Gas Conservation Commission of the State of Arizona show that Mountain States Resources, Inc. has no outstanding drilling or plugging obligations in Arizona.

As a result, this letter constitutes written permission by the Oil and Gas Conservation Commission to terminate liability under the bond.

Please advise if we may be of further service.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

839



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM BUILDING - BOX 250 - CUT BANK, MONTANA 59427-0250
TELEPHONE (406) 873-2235 FAX 406-873-4731

September 25, 1997

Steven L. Rauzi
Oil & Gas Program Administrator
STATE OF ARIZONA
Geological Survey
416 West Congress, Suite 100
Tuscon, Arizona 85701

RE: Mountain States Resources, Inc
\$25,000 Oil Drilling Blanket Bond #438-5444
Safeco Insurance Company of America

Dear Mr. Rauzi:

Further to your letter received in our office concerning the above captioned, please be advised that we are writing to request that MSR be released from liability under our \$25,000 Drilling Blanket Bond (#438-5444).

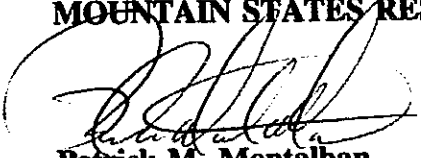
According to your letter, we have no outstanding drilling or plugging obligations in the State of Arizona.

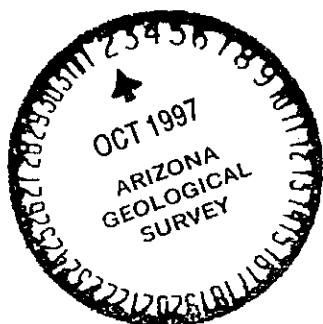
We trust that all is in order to release this bond and if you should require anything further, please contact our Cut Bank office.

Thank you for your cooperation in this matter.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC


Patrick M. Montalban
President



PMM/cb



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

August 29, 1997

Reno Roncco
Mountain States Resources, Inc.
P.O. Box 250
Cut Bank, MT 59427

839

Re: Mountain States Resources, Inc.
\$25,000 Oil Drilling Blanket Bond #438-5444
SAFECO Insurance Company of America

Dear Mr. Roncco

In accordance with Arizona statutes, the Arizona Geological Survey now provides administrative and staff support to the Arizona Oil and Gas Conservation Commission.

The Commission's records show that Mountain States Resources maintains the referenced bond and yet has no outstanding drilling or plugging obligations in Arizona. A copy of the referenced bond is enclosed.

We have no record of written permission by the Arizona Oil and Gas Conservation Commission to terminate liability under the bond.

Please advise me in writing of your desire to be released from liability under the bond.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

enclosure

(This Week, continued from Page 3)

approximately 15 miles long and four miles wide. These expendable wells have production tested and logged numerous oil and gas sands, Benton said, but the field has never been commercially produced.

The 1992 development program, which has commenced with the initial drilling of six wells, is the first phase of the development of North Gubkinskoye field. Phase one will also include the installation of production facilities and the construction of a 25-30 mile pipeline later this year.

Benton will contribute approximately \$7.5 million for these operations and anticipates initial production will commence in late 1992. Phase one's primary objective is to achieve a daily production level of 10,000 bbls. As additional phases are performed over the next five years, the daily production objective is 60,000 bbls or more.

North Gubkinskoye field is estimated to contain ultimate recoverable reserves of approximately 300 million bbls of oil, 40 million bbls of condensate, and two trillion cu ft of gas.

Oxnard, California-based Benton is an independent oil and gas exploration and production company with domestic operations in Louisiana, California, Oklahoma, Texas and Mississippi, and international operations in West Siberia.

Edisto Resources Corp's board of directors approved a restructuring of the Dallas-based company.

The restructuring is comprised of the following components: Edisto's offer to exchange 318 shares of its common stock for each \$1,000 principal amount of the currently outstanding \$102.6 million 13-7/8 percent senior notes due 1999 of its wholly owned subsidiary, NRM Energy Co; the amendment of the indenture governing the notes to delete certain restrictive covenants; the consolidation of Edisto's oil and gas exploration and production subsidiaries, including NRM Energy and Edisto Exploration & Production Co, into a newly formed wholly owned subsidiary; the amendment of the bank credit agreements of Edisto and Edisto Exploration & Production; and the amendment of Edisto's Certificate of Incorporation to increase its authorized common stock from 50 million to 75 million shares.

Maynard Oil Co's board of directors authorized the company to repurchase up to 560,000 shares of its common stock in the open market or through privately negotiated transactions during the next 12 months.

This represents an increase from the 400,000 shares authorized for repurchase announced in August 1991. As of February 10, 1992, the company had repurchased 262,026 shares of the 560,000 authorized for repurchase and has

5,109,234 shares outstanding.

Dallas-based Maynard is engaged in the exploration, development and production of oil and natural gas in the U.S. In addition, its wholly-owned subsidiary, BDK Drilling Co, provides contract drilling services in South Texas.

MSR Exploration Ltd and its five subsidiary corporations filed petitions for Chapter 11 reorganization.

Cut Bank, Montana-based MSR is an independent oil and gas exploration and production company operating in Western Canada and through its subsidiaries in the northern Rockies and Texas. The Chapter 11 petitions were filed in the U.S. Bankruptcy Court for the District of Montana, Great Falls Division.

MSR cited a number of factors in its decision to file for bankruptcy protection, including various litigation proceedings instituted against the companies related to actions of individuals who were in control of the companies in late 1990 and in 1991; substantial legal fees that the companies are incurring in defending this litigation; the inability of the companies to reach a satisfactory arrangement with their principal secured creditor; and the recent downward fluctuations in world oil prices.

Nahama & Weagant Energy Co and partners completed the previously announced acquisition of Arco Oil & Gas Co's interest in Mist gas field in northwestern Oregon near Portland. Bakersfield-based Nahama & Weagant's partners are Oregon Natural Gas Development and a partnership between the company and John Hancock Mutual Life Insurance Co.

The company (both directly and through its interest in the partnership) paid approximately \$1,105,000 for its share of the purchased interest, representing approximately 3.0 billion cu ft of proved developed gas reserves, with potential for additional development and exploration. Under the terms of the acquisition, the company also received approximately \$300,000 relating to the operations of the acquired properties for the period of August 1, 1991, through December 31, 1991.

Sun Co Inc announced a second "significant" oil discovery in the Espinal Block in Colombia's Upper Magdalena Basin.

Sun is a one-third partner in the block through its subsidiary, Sun Colombia Oil Co. LASMO Oil (Colombia) Limited is the operator with a two-thirds interest.

(Please see This Week, Page 10)

#834



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

June 17, 1991

AZ OIL & GAS
CONSERVATION COMMISSION

JUN 20 1991

Mr. Daniel J. Brennan
Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Navajo Tribal "O" 12, Navajo Tribal "O" 16, Navajo Tribal "O" 18
Lease No. N00-C-14-20-4433
Teec Nos Pos Field
Apache County, Arizona

Dear Mr. Brennan:

Please find enclosed a Plugging Record (Form No. 10) for each of the above captioned wells, in triplicate. A regulation marker has been erected at each well and all pits filled in. Surface rehabilitation will be commenced and completed during the time period between July 1 and September 15. We will advise when the well location is ready for final inspection.

If additional information is required, please advise.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

Reno N. Roncco

Reno N. Roncco
Petroleum Engineer
Vice President

RNR/s

Enclosures



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

March 29, 1991

AZ OIL & GAS
CONSERVATION COMMISSION

APR 1 1991

Mr. Daniel J. Brennan
Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: No. 12 Navajo Tribal "O", SE/4 NE/4
No. 16 Navajo Tribal "O", SE/4 SE/4
No. 18 Navajo Tribal "O", NE/4 SW/4
Section 22, T41N, R30E
Apache County, Arizona
Terminated Lease NOO-C-14-20-4433

Dear Mr. Brennan:

Please find enclosed Forms 9 describing the proposed procedure for re-entering and re-plugging the No. 16 and No. 18 wells captioned above. No proposal is submitted for the No. 12 well because a determination to re-enter this well will not be made until field operations commence.

Also enclosed is Form No. 1, Organization Report for Mountain States Resources, Inc., reflecting the changes within our organization.

If additional information is required, please advise.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

Reno N. Roncco

Reno N. Roncco
Vice President
Petroleum Engineer

RNR/s

Enclosures

801,834,843

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

Mountain States Resources, Inc.

Post Office Address (Box or Street Address)

P.O. Box 250 - Cut Bank, Montana 59427

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

Purpose of Organization (State type of business in which engaged)

Oil and gas exploration and production

If a reorganization, give name and address of previous organization.

**AZ OIL & GAS
CONSERVATION COMMISSION**

APR 1 1991

If a foreign corporation, give (1) State where incorporated	(2) Name and post office address of state agent S. L. Pederson Rider Wouls Bldg., Ste. 44 11246 E. Mississippi Ave. Aurora, CO TITLE 80012	(3) Date of permit to do business in state 1982
Principal Officers or Partners (if partnership) NAME	POST OFFICE ADDRESS	
Patrick M. Montalban	President	P.O. Box 250 - Cut Bank, MT 59427
Reno N. Roncco	Vice President	P.O. Box 250 - Cut Bank, MT 59427
Selden S. Frisbee	Secretary	P.O. Box 547 - Cut Bank, MT 59427
Stephen H. Palmbush	Treasurer	P.O. Box 250 - Cut Bank, MT 59427
Pamela Halvorson	Asst. Secretary	P.O. Box 250 - Cut Bank, MT 59427

DIRECTORS NAME

POST OFFICE ADDRESS

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the MOUNTAIN STATES RESOURCES, INC. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

March 29, 1991

Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Organization Report
File One Copy

Form No. 1



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

March 20, 1991

Mr. John P. Moore
Frisbee, Moore, Stufft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

Dear Mr. Moore:

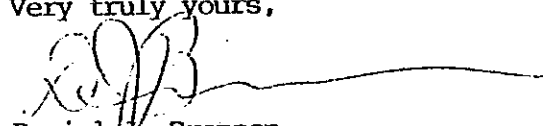
Referring to your letter of February 20, 1991 for your client, Mountain States Resources, we take note that you state that Mr. J. V. Montalban retired as of December 31, 1990.

Under Rule 12-7-194, Organization Reports, operators are required to file a supplementary report "Immediately" after such an event. To date, we have not received the report.

Enclosed are copies of Form 1, Organization Report, which you or your client must complete, and return immediately in order to come into compliance with these rules.

I have today received a copy of your letter of March 18, 1991 to Gilbert O. Lockwood of the BLM in which you state that you "are in the process of completing a satisfactory arrangement" in which you will do required remedial work "subject to direction of the BLM and the State of Arizona." This is to remind you that you must submit Form 9, Application to Plug and Abandon and have it approved prior to doing any such work. To date we have not received your plans for plugging the wells in question.

Very truly yours,


Daniel V. Brennan
Executive Director

Enclosures



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

March 4, 1991

Mr. John P. Moore
Frisbee, Moore, Stafft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

RE: Permit 801 12 Navajo "O" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "O" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "O" NESE Sec 22, T41N-R30E

Dear Mr. Moore:

We have received your letter concerning your talks with BLM. We are looking forward to receiving your proposal for correcting the plugging procedures on the three subject wells.

Our minimum requirements and comments for the wells are as follows.

#12 Pull the 4-1/2" casing from this well, recovering as much as possible. Tag the plug reported to have its top at 3937. Place 50' of cement on pipe stub if stub is at 3937, and otherwise 50' above and below stub of 4-1/2", cement must be placed using tubing or drill pipe. Wait on cement and tag plug with tubing or DP. Fill up hole from 1550 to surface with cement.

#16 Pull 4-1/2" casing. Tag top of plug reported at 3937. Place 50' of cement on top of plug if casing stub is at 3937, otherwise 50' of cement above and below casing stub. Wait on cement, tag plug with tubing or drill pipe. Set plug 50' in and out of surface casing at 1515. Set surface plug.

#18 Pull 4-1/2" casing. Tag top of plug reported to be at 3937, place 50' of cement on top of plug if casing stub is at 3937. If casing stub is not at 3937, place cement 50' above and below casing stub. Wait on cement, tag top of plug with tubing or drill pipe. Set plug 50' in and out of surface casing at 1507.

In the above procedures, if the casing stub and top cement are below 3937, drill out whatever is encountered and set cement plug just above producing zone.

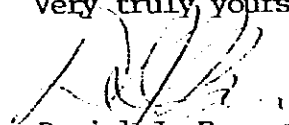
If casing cannot be pulled from any of these wells, drill out surface plug. In 4-1/2" casing, tag plug reported at 3937. If not as reported, drill out whatever is encountered and set a 50-foot plug just above the producing zone. Finish at surface as described above.

Mr. John P. Moore

March 4, 1991
Page - 2 -

In all cases, we must approve your plan prior to any activity in any well. We must be notified at least 24 hours before the beginning of any activity in a well. The approved plan will have telephone numbers to call. We are looking forward to hearing from you.

Very truly yours,



Daniel J. Brennan
Executive Director

FRISBEE, MOORE, STUFFT & OLSON

ATTORNEYS AT LAW
13 EAST MAIN - WILKINS BLDG.
POST OFFICE BOX 547
CUT BANK, MONTANA 59427-0547
(406)873-2263
Telecopier (FAX) (406)873-4342

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

SELDEN S. FRISBEE
JOHN P. MOORE
DAVID E. STUFFT
ROBERT G. OLSON

PLEASE REPLY TO CUT BANK OFFICE

Browning Office
Blackfoot Nat'l Bank Bldg.
Browning, Montana 59417
(406)338-2777
(Tues. & Thurs. 1:30 - 5:00)

February 20, 1991

Daniel J. Brennan, Executive Director
Oil and Gas Conservation Commission
State of Arizona
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Permit 801 12 Navajo "O" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "O" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "O" NESE Sec 22, T41N-R30E

Dear Mr. Brennan:

I acknowledge with thanks your letter of February 13, 1991.

Transmitted herewith is a copy of the Mountain States Resources correspondence to the Bureau of Land Management which contains the reports on the plugging which you have requested. It is most unfortunate that through an oversight these matters were not sent to you as well.

At the present time Mountain States Resources is devising a plan to submit to the BLM for approval, as well as yourself, so that they can attempt to satisfy your requirements and changes which have been directed.

Kindly be advised that Mr. J.V. Montalban, as CEO of Mountain States Resources, retired as of December 31, 1990, and in the rush of all of the matters which transpired preceding his retirement and since that time, this matter in connection with the Arizona requirements was painfully overlooked.

Please feel free to check with Mr. Ron Fellows at the BLM office at Farmington, New Mexico, on all these matters, as we would like to try to coordinate what is going on here between both the State and the Federal office here in order to harmonize the resolution of these problems.

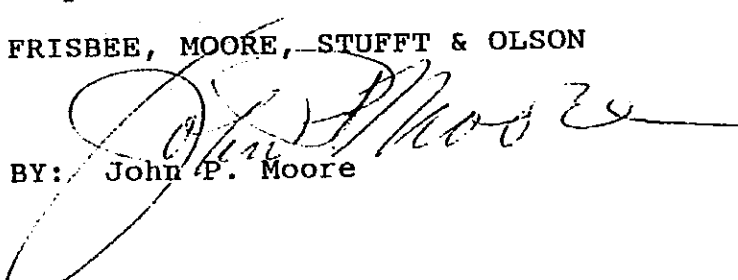
Daniel J. Brennan, Executive Director
February 20, 1991
Page Two

At the present time we are groping for an answer as to whether or not the casing should be pulled on these wells. I enclose a copy of the memo from our engineer, Mr. R.N. Ronco concerning the welding procedure which was followed when the plugging was done. As stated above, these matters are now being worked out and we will have a proposal to submit on February 25, 1991 as previously arranged with the BLM.

Thanking you for your cooperation, we are

Respectfully yours,

FRISBEE, MOORE, STUFFT & OLSON

BY: John P. Moore 

JPM:dda
CERTIFIED/RETURN RECEIPT
Enclosures

cc Mountain States Resources, Inc



Oil and Gas Conservation Commission
STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

February 13, 1991

Mr. John P. Moore
Frisbee, Moore, Stufft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

RE: Permit 801 12 Navajo "0" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "0" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "0" NESE Sec 22, T41N-R30E

Dear Mr. Moore:

We have received your letter concerning subject wells. It was interesting to read of your conference with BLM in Farmington. However, that conference does nothing to comply with Arizona Statutes and Rules.

Copies of BLM correspondence are of interest, but do not rectify your client's failure to file and receive approval of State Form 9, Application to Plug and Abandon or State Form 10, Plugging Record. It is now over three weeks since your client received our letter and the forms still have not been filed.

Your statement that your client was "not aware of the requirements" is not acceptable. Every operator has the duty and responsibility to make himself aware of the laws and rules of the jurisdiction in which he operates. According to our records, your client requested and was sent a copy of our rules in 1982. I am enclosing a copy of my letter to your client, of August 16, 1990, reiterating the necessity for these reports.

In addition, our rules require written notice of intention to plug so that we may witness the plugging. Failure to reach us on a Saturday morning, as your client failed to reach BLM on a Saturday morning, is not an acceptable excuse. It seems obvious that the operator must have known of the plans to plug the wells on Friday, and could have called then.

I have twice provided your client with the appropriate forms (in August 1990 and again in January 1991). These forms must be submitted. Form 9, Application to Plug and Abandon must be approved by us before any action is taken. Form 10 is to be filed within 30 days after the plugging is accomplished.

Mr. John P. Moore

February 13, 1991
Page 2


I refer you to our letter of January 14, which set out what your client must do to satisfy our requirements. Once he sends us his record of what was done in the wells, we will evaluate the record for compliance with our requirements. Complete documentation to verify the report should be included.

If the work done does not meet our requirements, then the wells will have to be opened and plugged in such a manner as to meet our requirements.

We will be pleased to coordinate our efforts with those of BLM. However, for us to be able to cooperate with BLM, we must be able to demonstrate compliance with the duties mandated by Arizona laws and rules. If we do not receive the proper paper work and adequate notification, expressions of good will are valueless.

We are looking forward to the resolution of this problem.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

January 14, 1991

Mr. J. V. Montalban, President
Mountain States Resources
Box 250
Cut Bank, MT 59427

Dear Mr. Montalban:

We have received your monthly production reports for the Navajo "O" lease wells in Sec 22, T41N-R30E, Apache County, Arizona. On these reports you have entered "Plugged and Abandoned on August 14, 1990."

This is the first report we have had from you that the wells were plugged and abandoned. This is a violation of the laws of the State of Arizona and of the Rules of the Oil and Gas Conservation Commission.

Your proposals to plug and abandon the wells in 1988 included the sentence, "All work will be done in accordance to BLM and AOGCC regulation." Your plan was never approved by this office. You did not notify us at all, let alone in time to allow us to observe the procedures. These are violations of the rules and of the laws, ARS 27-527 provides penalties for such violations.

We have obtained information relating to your alleged plugging of these three wells from the Bureau of Land Management.

We understand that BLM is requiring you to re-enter wells no. 16 and 18 and to replug them. A decision on No. 12 is contingent on the results of the re-entry of the first two wells.

You are also required to file forthwith your reports on the plugging of all three wells and revised plans for the plugging of all three wells; the revised plans must be in compliance with laws and rules of Arizona.

You are required to have our approval before proceeding on the re-entry of any well. You are required to notify us at least 24 hours prior to any re-entry so that we may be present to observe the procedures.

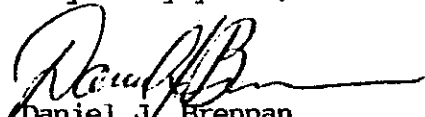
Mr. J. V. Montalban

January 14, 1991
Page 2

Failure to comply will cause us to require us to demand that you re-enter and re-plug one more time, finally in compliance with Arizona laws and rules. Failure to comply will result in our turning this matter over to the Attorney General for prosecution.

Enclosed are forms for your use in reporting and proposing to plug and abandon.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LAPLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401



IN REPLY REFER TO:

H00-C-14-20-4433 (WC)
3162.3-4 (019)

**AZ OIL & GAS
CONSERVATION COMMISSION**

JAN 1 1991

JAN 10 1991

CERTIFIED - RETURN RECEIPT REQUESTED
P 337 993 577

Mountain States Resources, Inc.
P. O. Box 250
Cutbank, MT 59427

Gentlemen:

Reference is made to the following wells located in section 22, T. 41 N.,
R. 30 E., Apache County, Arizona, terminated lease H00-C-14-20-4433;

1. No. 12 Navajo Tribal "O", SE/4NE/4 Permit # 881
2. No. 16 Navajo Tribal "O", SE/4SE/4 Permit # 834
3. No. 18 Navajo Tribal "O", NE/4SW/4 Permit # 843

We have received your Subsequent Report of Abandonment for the above wells dated December 21, 1990. As described in our November 2, 1990 letter, the subject plugging deviates from the original approved modified plugging plan. In addition, the State of Arizona also contacted your office and requested that the fresh water zones be covered by cement. This is to say a plug inside and outside the production casing is to be placed from 50' below the top of the chindle to the surface.

You are required to re-enter well No. 16 and No. 18 as follows:

- a. Drill out surface plug.
- b. Run in hole with tubing and tag producing horizon plug and note location.
- c. Bring cement from top of plug to extend 50' above Hermosa top (if needed).
- d. Test mud, if inadequate bring up to BLM standards (see general requirements attached to your intent to abandon).
- e. Set a plug from 50' below surface casing shoe (No. 16 - 1570;
No. 18 - 1560') to surface inside and outside 4 1/2" production casing.

A determination will be rendered to replug well No. 12 after the above two wells have been re-entered. If the plugs are encountered in the wrong location, the cement has not hardened properly or the plugs are not the reported length, then this well (No. 12) will have to be re-entered and plugged as described for wells No. 16 and 18.

You are also required to notify this office at least 24 hours prior to re-entering these wells at (505) 326-6201. A Bureau of Land Management representative is to be present during the entire reentry and plugging operation.

You have 30 days to comply with this order. The 30 days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 days will result in strict enforcement of 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.400 et. seq.

If you have any questions, please contact John Keller with this office at (505) 327-5344.

Sincerely,

/s/ Ron Fellows

Ron Fellows
Area Manager

cc:

Conservation Commission, 5150 N. 16th St., Suite B-141,
Phoenix, AZ 85016
BIA, Navajo Area Office, P. O. Box "M", Window Rock, AZ 86515-0714
Navajo Nation, Minerals Dept., P. O. Box 146, Window Rock, AZ 86515



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

• CBM Building - Box 250 - Cut Bank, Montana 59127-0250 - (406) 873-2235

December 21, 1990

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

Mr. John Keller
U. S. Department of the Interior
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

RE: Navajo Tribal "0" 12, 16, and 18
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease N00-C-14-20-4433

Dear Mr. Keller:

Please find enclosed Forms 3160-5, subsequent reports of the plugging and abandonment of the above captioned wells. Also enclosed are Cementing Service Reports from Dowell Schlumberger for each well.

If additional information is required, please advise.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

J. V. Montalban
President

JVM/

Enclosures

DATE: December 10, 1990

TO: Files

FROM: S. L. Rauzi

SUBJECT: Mountain States wells at the Teec Nos Pos Field

On 12/6/90 John Keller (BLM, 1235 La Plata Highway, Farmington, NM 87401, (505) 327-5344) called to report that Mountain States Resources had plugged and abandoned their three wells at the Teec Nos Pos Field. The sundry report filed by Mountain States indicated that the plugging and abandonment was not in accordance with the plugging plan submitted to the BLM. The BLM was considering action to require Mountain States to re-enter and plug the wells according to plan and have a representative witness the plugging operation.

Since these wells are apparently plugged and abandoned, the September monthly producers report will be the last report by this operator.

The wells include: 1) Navajo 12 (permit 801), 2) Navajo 16 (permit 834), and Navajo 18 (permit 843).



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

August 16, 1990

Mr. J. V. Montalban, President
Mountain States Resources, Inc.
P. O. Box 250
Cut Bank, Montana 59427

Dear Mr. Montalban:

Enclosed are Arizona Oil & Gas Conservation Commission Forms 9 and 10, Application to Plug and Abandon and Plugging Record. If you do have to plug out your wells at Teec Nos Pos, we need to have these forms. File Form 9 before you plug the wells and Form 10 afterwards.

We also have to be called 24 hours before you do the jobs, so we can be there. We have to have this paperwork before we can release your bonds on the wells.

I hope you can get a continuance from the Navajo Tribe, and not have to plug the wells right away. I am working on the area right now, as I told you yesterday. So far your No. 18 Navajo "O" well is the only one I don't seem to have good information about. I am looking forward to receiving it from you so I can finish the job soon.

Thanks for your cooperation.

Very truly yours,

Daniel J. Brennan
Executive Director

Enclosures

Thank you for sending the information re MCH 18 well so quickly. It came this afternoon. If you would like your logs returned, please let me know. Thanks a lot!



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

October 3, 1988

#P 881 046 092
CERTIFIED MAIL

Mr. Ron Fellows
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

RE: Plugging and Abandonment Plans For Navajo Tribal "O" 12, 16, and 18
Teec Nos Pos Field, Apache County, Arizona

Dear Mr. Fellows:

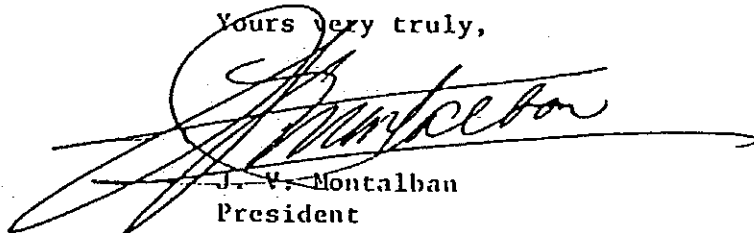
Reference your letters dated August 4 and 5, 1988 regarding the above captioned subject.

Enclosed are Plugging and Abandonment Plans (Form 9-331) for the three shut-in oil and gas wells in the Teec Nos Pos Field, operated by Mountain States Resources, Inc.

As you know, we have appealed cancellation of our Navajo Tribal "O" lease in our letter of August 25, 1988 to Mr. T. R. Tippeconnic of the Bureau of Indian Affairs in Window Rock, Arizona. Therefore, we do not intend to plug and abandon the three wells until our appeal has been considered.

If additional information or changes for the enclosed forms are required, please advise.

Yours very truly,


J. V. Montalban
President

JVM/rr

Enclosures

cc AOGCC, Phoenix, AZ

KENU
Copy

#801
#834-
NOV 22 1988
#843
O & G (P) S. C. L.

March 23, 1984

Mrs. Cora Belle Montalban
Secretary
Mountain States Resources, Inc.
CBM Building
Box 1995
Cut Bank, Montana 59427-1995

Dear Cora Belle:

We are in receipt of your Monthly Producers Report on Well No. 12 for February and some confusion has arisen regarding the copy of the Monthly Report of Operations to the USGS (Form 9-239). I refer in particular to the "Remarks" column, in which you state "**Placed Navajo #16 and #18 on production during January 1984."

Upon checking the January production figures, I find no production recorded for these two wells, nor do I find any sundry reports on them.

Enclosed you will find several "Sundry Notices and Reports on Wells" (Form 25). Would you or Joe please complete one for each well (No. 16 and No. 18) and return them to us so we can be aware of the operations of these wells.

Thank you for your cooperation.

Sincerely,

Sheila Borgan
Secretary
Enforcement Section

Enclosures

CC: A. K. Doss

BOND NO. 4385444

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 4385444 RECEIVED

That we: MOUNTAIN STATES RESOURCES, INC., P. O. Box 176, Cut Bank,
of the County of Glacier in the State of Montana O & G CONS. COMM.
as principal, and SAFECO INSURANCE COMPANY OF AMERICA
of Seattle, Washington

AUTHORIZED TO DO BUSINESS WITHIN THE STATE OF ARIZONA.
as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty Five Thousand & no/100 lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

BLANKET

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 28th day of September, 1982.

MOUNTAIN STATES RESOURCES, INC.
BY: [Signature] Principal

WITNESS our hands and seals, this 28th day of September, 1982.

SAFECO INSURANCE COMPANY OF AMERICA

BY: Kip W. Vandeventer
Kip W. Vandeventer, Attorney-in-fact
Jerry A. Underwood
(Surety, Resident Arizona Agent
If Issued in a state other than Arizona)

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved 11-9-82
Date 11-9-82
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: R. G. Yana

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Bond
File Two Copies

Form No. 2

RECEIVED

Permit No. 801 & 834
Blanket Bond

OCT 25 1982

MOUNTAIN STATES RESOURCES, INC



POWER OF
ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98105

RECEIVED

OCT 25 1982

No. 281 O.S.G. CONS. COMM.

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA**, a Washington corporation, does hereby appoint

-----JOHN A. PETENTLER; JAMES D. HOINESS; MELVIN P. HOINESS; LUELLA MORKEN;
DONALD J. PELOQUIN; JULIA S. LaGRANGE; HELEN L. ZIER; LES L. JENSEN; KIP W.
VANDEVENTER, Billings, Montana-----

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind **SAFECO INSURANCE COMPANY OF AMERICA** thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** has executed and attested these presents

this 17th day of May, 1982

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of
SAFECO INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
 - (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
 - (iii) Certifying that said power-of-attorney appointment is in full force and effect,
- the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, W.D. Hammersla, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 28th day of September, 1982

RECEIVED

OCT 8 1982

PRINTED IN U.S.A.

MEMO-LETTER IV
☐ REGULAR ☐ INTER-OFFICE

RECEIVED

APR 14 1983

C & G CONS. COMM.

MOUNTAIN STATES RESOURCES, INC.

Operations Office - CBM Building
P. O. Box 176 • Cut Bank, Montana 59427
Phone (406) 873-2235

MEMO-LETTER

TO Mr. James Simms, District Supvr.
Minerals Management Services
Department of the Interior
Drawer 600
Farmington, New Mexico 87401

DATE April 11, 1983

SUBJECT

Enclosed please find Mountain States Resources "Sundry Notice and Report on Wells" for lease N00-C-14-20-4433, Navajo "12" well. This report covers period 3-29-82 thru 4-5-83.

Trusting you will find all in order, we remain

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

J.V. Montalban

cc: Mr. R.A. Ybarra
Oil & Gas Commission

034



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

RECEIVED

FEB 7 1983

January 31, 1983 O & G CONS. COMM.

Mr. R.A. Ybarra, Dir. of Enforcement
STATE OF ARIZONA
Oil & Gas Conservation Commission
Ste. 420 - 1645 W. Jefferson
Phoenix, Arizona 85007

Dear Mr. Ybarra:

Re: MSR/ERG Navajo #16
Apache County, Arizona

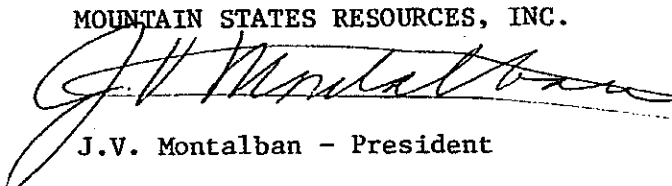
We enclose herewith United States Department of the Interior "Sundry Notice and Report on Wells", Form 9-331, December 1973, for the above captioned well. This report covers the period of January 18, 1983 through January 28, 1983. Attached please find Mountain States Resources detailed Completion Report covering the same period.

Also, included are a copy of Gamma Ray/Neutron Log and a copy of the cement bond log.

Trusting you will find everything in order, we remain

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.


J.V. Montalban - President

JVM/j
Enc:



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.
OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

January 18, 1983

Mr. R. A. Ybarra, Dir. of Enforcement
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

Dear Mr. Ybarra:

Re: Lease #NOO-C-14-20-4433
Navajo "O" #12 Well
Teec Nos Pos Field
Apache County, Arizona

Enclosed herewith please find our Monthly Production Report (Form 16), together with a copy of the Run Statement from Giant Industries, Inc., and a copy of Monthly Report of Operations to the USGS (Form 9-329), pertaining to production from the above captioned well for the month of December 1982.

Trusting you will find all in order, I remain

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

C. B. Montalban

C. B. Montalban - Secretary

CBM/me
Encs:

RECEIVED

JAN 31 1983

O & G CONS. COMM.

*Rudy, what are
talking about
sending 499 MCF
to ERG battery?*

834



MOUNTAIN STATES RESOURCES, INC. *OKS 24*

A Subsidiary of MSR Exploration Ltd.
OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

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JAN 17 1983

O & G CONS. COMM.

January 12, 1983

Mr. James Sims, Dist. Supvr.
BUREAU OF LAND MANAGEMENT
Drawer 600
Farmington, New Mexico 87401

Gentlemen:

Re Lease #N00-C-14-204433
Navajo "O" #16 Well
Teec Nos Pos Field
Apache County, Arizona

We enclose herewith, for your files, our Report of Third Operations, pertaining to the above captioned well.

Weekly reports will be forthcoming, as the well is put on production.

Trusting you will find everything in order, we remain

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

J. V. Montalban
J. V. Montalban - Mgr. of Operations

JVM/j

Enc:

cc: Mr. Thomas Lynch, Prop. Mgt. Off.
BUREAU OF INDIAN AFFAIRS
The Navajo Tribe
P.O. Box 146
Window Rock, Arizona 86515
Att: Lorenzo Tsosi

Mr. R.A. Ybarra, Eng. Dir.
OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA
1645 W. Jefferson, Suite #430
Phoenix, Arizona 85007

Mr. Floyd Espinoza
BIA-Navajo Tribe
Minerals Department
P.O. Box M
Window Rock, Ar. 86515

Mr. Khaled Ferfera, P.Eng.
THE NAVAJO NATION
Minerals Department
P.O. Box 146
Window Rock, Ar. 86515

834

MOUNTAIN STATES RESOURCES, INC.

Operations Office - CBM Building
P. O. Box 176 • Cut Bank, Montana 59427
Phone (406) 873-2235

RECEIVED

JAN 13 1983

D & G, CONS. COMM.

MEMO-LETTER

TO Mr. R. A. Ybarra, Enf. Dir.
OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA
1645 West Jefferson - #420
Phoenix, Arizona 85007

DATE January 9, 1983
SUBJECT Report on Navajo #16
Lease #N00-C-14-204433
Teec Nos Pos Field
Apache County, Arizona

Dear Mr. Ybarra:

Enclosed herewith, for your files, please find Reports #1 and #2,
pertaining to the drilling of the above captioned well.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

J. V. Montalban - Mgr. of Operations

JVM/cbm
Enc: (2)

MSR EXPLORATION LTD.
(INCORPORATED UNDER THE LAWS OF ALBERTA)

CONSOLIDATED STATEMENT OF INCOME
SIX MONTHS ENDED JUNE 30, 1982 & 1981
(Unaudited)

	1982	1981
Revenue		
Gas production	\$1,024,000	\$1,901,000
Oil production	1,566,000	1,266,000
Interest, dividends and other	293,000	471,000
	<u>2,883,000</u>	<u>3,638,000</u>
Expenses		
Production taxes and royalties	381,000	509,000
Production and rework costs	494,000	547,000
Windfall profits tax	97,000	164,000
Depletion, depreciation and amortization	489,000	481,000
Shareholder information	86,000	53,000
Accounting and audit	9,000	20,000
Registrar and Trust Company fees	16,000	17,000
Stock Exchange Fees	3,000	16,000
Travel	39,000	29,000
Office	25,000	29,000
Administrative Salaries	66,000	55,000
Sundry	14,000	10,000
	<u>1,719,000</u>	<u>1,930,000</u>
Operating Income	<u>1,164,000</u>	<u>1,708,000</u>
Other Income (Expenses)		
Gain (loss) on sale of marketable securities	(15,000)	11,000
Market Value decline of marketable securities	(382,000)	—
Foreign exchange gain (loss)	169,000	35,000
Equity in loss of 50% owned company	(15,000)	—
	<u>(243,000)</u>	<u>46,000</u>
Income before income taxes	<u>921,000</u>	<u>1,754,000</u>
Income taxes		
Current	68,000	25,000
Deferred	229,000	610,000
	<u>297,000</u>	<u>635,000</u>
NET INCOME	<u>\$ 624,000</u>	<u>\$1,119,000</u>
CASH FLOW FROM OPERATIONS	<u>1,342,000</u>	<u>2,210,000</u>
PER SHARE		
Net income	\$.082	\$.148
Cash flow from operations	\$.177	\$.293

MSR EXPLORATION LTD.

CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION
(Unaudited)

Six Months Ended June 30, 1982 and 1981	1982	1981
WORKING CAPITAL DERIVED FROM		
Operations	\$1,342,000	\$2,210,000
Reduction in investment in 50% owned company	55,000	—
Shares issued for cash	—	750,000
	<u>1,397,000</u>	<u>2,960,000</u>
WORKING CAPITAL APPLIED TO		
Oil and gas properties, plant and equipment	657,000	2,551,000
INCREASE IN WORKING CAPITAL	<u>740,000</u>	<u>409,000</u>
WORKING CAPITAL AT BEGINNING OF PERIOD	<u>4,330,000</u>	<u>6,964,000</u>
WORKING CAPITAL AT END OF PERIOD	<u>\$5,070,000</u>	<u>\$7,373,000</u>

CORPORATE DATA

DIRECTORS:

Joseph V. Montalban
Cut Bank, Montana
F.K. Roy Gillespie
Calgary, Alberta
James Gray
Edmonton, Alberta
Cora Belle Montalban
Cut Bank, Montana
REGISTRAR & TRANSFER AGENTS:
National Trust Company, Limited
510 Burrard Street
Vancouver, B.C. V6C 2J7
National Trust Company, Limited
15 King Street East
Toronto, Ontario M5S 1E4
National Bank Of North America
80 Pine Street
New York, NY 10005

OFFICERS:

Joseph V. Montalban
President & C.E.O.
Edward F. Durkee
Vice President - Exploration
Jerry L. Buechler
Treasurer
Cora Belle Montalban
Secretary
STOCK EXCHANGE LISTINGS:
Toronto Stock Exchange
Trading Symbol: MTN-T
Vancouver Stock Exchange
Trading Symbol: MTN-V
NASDAQ
Trading Symbol: MSREF

CAPITALIZATION:

Share Structure:
Shares: Authorized 20,000,000
Shares: Issued 7,603,130

SHARE PRICE RANGE:

1982 to June 30, 1982
(Canadian)
HIGH LOW CLOSE
\$ 8.50 \$ 4.55 \$ 5.50

TP Thomas printing inc.

MSR EXPLORATION LTD.



Interim Report
To Shareholders

MSR EXPLORATION LTD.
AND SUBSIDIARY COMPANIES
MOUNTAIN STATES RESOURCES, INC.
MONTE GRANDE EXPLORATION, INC.
GYPSY HIGHVIEW GATHERING SYSTEM, INC.
BEARPAW GATHERING SYSTEM, INC.

CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 1982
Operations Office:
CBM BUILDING
CUT BANK, MONTANA, U.S.A. 59427
(406) 873-2235

SECOND QUARTER

101 MOUNTAIN STATES RESOURCES, INC. S 15 NAV-0 834
SE SE 22-41N-30E APA-HF COUNTY

**REPORT TO SHAREHOLDERS
MSR EXPLORATION LTD.
AND SUBSIDIARY COMPANIES**

August 15, 1982

EXPLORATION:

Teec Nos Pos, Arizona - MSR's first 1982 venture drilled in the Teec Nos Pos Field of Northeastern Arizona was completed in June, after selectively perforating, acidizing, and testing oil and gas in four zones. Production facilities have been completed and the well went on steady production last month. Four offset locations have now been staked, and will be drilled as soon as approval is received from the regulatory bodies.

Turner Bluff, Utah - MSR has purchased an eighty acre tract in the Turner Bluff Field, located in the southern end of the Paradox Basin of Southern Utah. A location has been staked offsetting a lower Ismay oilwell, which is flowing 225 barrels per day. The MSR/Federal #25-1, is presently being permitted and drilling is expected to get underway in the immediate future, on this newly acquired prospect.

FINANCIAL

Operating revenue for the six month period ending June 30, 1982 totalled \$2,883,000. This represents a decrease of some \$750,000, as compared to the same period of 1981, and reflects the softening of prices of world oil and decreased summer gas production.

However, during the same period, corporate assets increased by \$2.1 million, to \$24,843,000, and \$760,000 was added to working capital, increasing to \$5,070,000.

MSR continues to be totally solvent and remains totally debt free. Management continues to feel that solvency is extremely important in these days of uncertain interest rates and soft oil prices throughout the world.

Accordingly, MSR will continue to operate from internally generated funds, and will avoid incurring short or long term debt.

OUTLOOK FOR SECOND HALF OF 1982:

MSR EXPLORATION LTD. shareholders can expect the following during the remaining half of 1982:

- MSR continues to screen new prospects, located in the Paradox Basin of Southeastern Utah. We feel this is an area of medium shallow drilling, containing good reserves for dollars spent; hence the acquisition of the Turner Bluff Prospect this past quarter. MSR will continue to develop its Paradox Basin holdings at Vega, Teec Nos Pos, and Turner Bluff.
- MSR will continue to drill development wells on its acreage in the Graben Coulee, Highview, and Bills Coulee Fields, located in Northwestern Montana.
- MSR continues to seek out a suitable merger company, and at time of writing, talks are proceeding with a large Canadian independent company. Management is encouraged with negotiations, to date.
- MSR's share price continues to suffer the same depression that all other energy stocks are experiencing at present; but management continues to be optimistic that energy stocks will, once again, attract the investors attention. As previously mentioned, management feels that the market will turn around this fall, and with the company's continuing solvent position, MSR's market will improve.
- MSR's application for listing on the AMEX is presently "on hold", pending outcome of present negotiations.
- In the meanwhile, we are grateful for the support of our shareholders and employees, and appreciate your continued trust and confidence.

Respectfully submitted on behalf
of the Board of Directors

J.V. Montalban
J.V. MONTALBAN, S.P.E.
President & Managing Director

CUT BANK, Montana
August 15, 1982

MSR EXPLORATION LTD.

(INCORPORATED UNDER THE LAWS OF ALBERTA)

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 1982 & 1981
(Unaudited)

	ASSETS	1982	1981
CURRENT ASSETS			
Cash and Term Deposits		\$3,049,000	\$ 6,394,000
Accounts Receivable		852,000	689,000
Marketable Securities (quoted market value, \$1,413,000; 1981 - \$896,000)		1,413,000	896,000
Inventories		416,000	293,000
		<u>5,730,000</u>	<u>8,272,000</u>
OIL AND GAS PROPERTIES, PLANT AND EQUIPMENT		18,605,000	14,425,000
INVESTMENT IN BEARPAW GATHERING SYSTEM, INC.		508,000	—
		<u>\$24,843,000</u>	<u>22,697,000</u>
	LIABILITIES		
CURRENT LIABILITIES			
Accounts Payable and Accrued Liabilities		\$658,000	\$ 847,000
Income Taxes Payable		2,000	52,000
		<u>660,000</u>	<u>899,000</u>
DEFERRED INCOME TAXES		3,722,000	3,080,000
	SHAREHOLDERS' EQUITY		
SHARE CAPITAL			
Authorized 20,000,000 Shares without nominal or par value			
Issued 7,603,130 Shares		\$13,157,000	\$13,157,000
RETAINED EARNINGS		<u>7,304,000</u>	<u>5,561,000</u>
		<u>20,461,000</u>	<u>18,718,000</u>
		<u>\$24,843,000</u>	<u>\$22,697,000</u>

November 9, 1982

Mr. J. V. Montalban
Mountain States Resources, Inc.
P.O. Box 176
Cut Bank, Montana 59427

Re: 16 Navajo-O, State Permit 834

Dear Mr. Montalban:

Enclosed are approved application for permit to drill, permit to drill, receipt, and approved performance bond.

Also enclosed are instructions for progress reports. If we may be of further assistance, please advise.

Sincerely,

R. A. Ybarra
Enforcement Director

/os
Enc.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

RECEIVED

NOV 8 1982

O & G CONS. COMM.

November 2, 1982

State of Arizona
Oil & Gas Conservation Commission
1645 Jefferson
Phoenix, Arizona 85007

Attn: Mr. Arnold Doss

Dear Mr. Doss:

Re: Navajo Tribal Lease
N00-C-14-20-4433
Navajo "O" #16 Well

Further to our conversation of this date, we are returning herewith a new Application for Permit to Drill the above captioned well. We are submitting same in duplicate, with the surveyors plat attached to each application. We have made the corrections, as discussed, and we trust that they will now meet with your approval.

Our check #8909, in the amount of \$25.00, for the required filing fee, was previously submitted with our letter of October 22, 1982.

Trusting you will now find everything in order, we remain

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.


J. V. Montalban - President

JVM/cbm
Enc:

November 2, 1982

Mr. Reno Roncco
Mountain States Resources, Inc.
916 E. Main St., #22
Cortez, Colorado 81321

Re: Application for Permit to Drill, Form 3
Well No. 16 Navajo-0
Teec Nos Pos Field

Dear Mr. Roncco:

As per your telephone conversation today with Mr. A. K. Doss,
we are returning subject form filed with this office October 25.
Please make appropriate changes.

Also enclosed is a copy of our letter to Mr. J. V. Montalban,
dated October 28, 1982.

If we can be of further assistance, please advise.

Sincerely,

R. A. Ybarra
Enforcement Director

RAY:os
Encl.

C
O
P
Y



OFFICE OF

Oil and Gas Conservation Commission
STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

October 28, 1982

Mr. J. V. Montalban
Mountain States Resources, Inc.
P.O. Box 176
Cut Bank, Montana 59427

Re: Well No. 16 Navajo-0
Teec Nos Pos Field
Apache County

Dear Mr. Montalban:

This will acknowledge receipt of your letter of October 25, along with all the required forms to drill subject well.

I note on Form 3 of your submittals that you request 40-acre spacing for this well. Please be informed that any request for an exception to Rule 105A (80-acre spacing for oil wells) must be made to the Commission in duplicate and accompanied by certain data as required by Rule 105D (copy enclosed).

A public hearing by the Commission is also required before such a determination on this matter can be made. You may wish to call Mr. Doss, who will be back on November 1, to see if we can schedule a hearing for the next Commissioners' meeting on November 19. It is my understanding that in the recent past you and Mr. Doss discussed the spacing requirement for the Teec Nos Pos Field and that you were advised at that time what procedure to follow in order to drill on 40 acres.

If I can be of further assistance, please advise.

Sincerely,

R. A. Ybarra
Enforcement Director

RAY:os
Encl.

MOUNTAIN STATES
RESOURCES, INC.

CUT BANK, MT 59427

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE - FORM WV-3 V-2

CTB-

8909

DATE	DESCRIPTION	AMOUNT
Oct. 20, 1982	State of Arizona - Application for Permit to Drill - Filing Fee Indian Lease Number: Navajo Tribal NOO-C-14-20-4433 Well: Navajo #16	\$25.00

RECEIVED

OCT 25 1982

O & G CONS. COMM.

MOUNTAIN STATES
RESOURCES, INC.
CUT BANK, MT 59427

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

CTB- 8909

DELUXE - FORM WV-3 V-2

DATE	DESCRIPTION	AMOUNT
Oct. 20, 1982	State of Arizona - Application for Permit to Drill - Filing Fee Indian Lease Number: Navajo Tribal N00-C-14-20-4433 Well: Navajo #16	\$25.00

RECEIVED

OCT 25 1982

O & G CONS. COMM.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

October 22, 1982

RECEIVED

OCT 25 1982

O & G CONS. COMM.

STATE OF ARIZONA
Oil & Gas Conservation Commission
1645 Jefferson
Phoenix, Arizona 85007

Attn: Mr. Arnold Doss

Re: Navajo Tribal Lease
N00-C-14-20-4433

Dear Mr. Doss:

We take pleasure in enclosing Mountain States Resources, Inc. Application for Permit to Drill on the above captioned Lease. As stated, the name of the Drilling Contractor is unknown at this time, however, you will be informed as soon as this is determined.

We have also enclosed Mountain States Resources, Inc. check number 8909, in the amount of \$25.00, as the required Filing Fee.

Further, for your information, Mountain States Resources, Inc. has been granted approval of a License to do Business in the State of Arizona on #028954, dated October 7, 1982.

Thanking you for your cooperation, I remain

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

J.V. Montalban
J.V. Montalban - President

JVM/j
Enc: (2)